science, fishing and oceanography and then let the Congress decide whether the program is larger than the American public will sustain and support.

If a Secretary has vision it would matter little then as I see it whether he headed a Cabinet Department or an independent Maritime Agency which has been supported in the Congress by a 3 to 1 vote.

It's the purpose not the form that counts.

I personally have been assured by responsible leaders of industry and organized labor that they would both contemplate making sacrifices for an adequate program.

This, then, is the challenge of our time. I know that my Democratic Party is equal to meeting this challenge by proposing a program. I also know that the Congress of the United States will bi-partisanly enact such a program by a strong majority.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 5, 1967

The House met at 12 o'clock noon.

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

Be of good courage, and He shall strengthen your heart, all ye that hope in the Lord.—Psalm 31: 24.

O God, our Father, whose law is truth and whose life is love, as we enter the gates of a new week we would pause in reverence before Thee to acknowledge our dependence upon Thee and to pray for strength as we face the demanding responsibilities of this day.

Give us courage and faith for the tasks before us. May we now and always do our best to preserve liberty, to prevent tyranny from spreading, to promote peace in our world, and to proclaim the good news of freedom to all mankind.

May we live worthily as Thy children and be faithful and true in every experience. Help us to rise above fear and hatred and to maintain our integrity in this free land of our birth. We do not pray for easy tasks but for power to meet them; not for easy burdens but for strength to carry them; not for less dangerous times in which to live but to keep loyal to our ideals in an all too unideal world.

So may we go forward conscious of Thy presence, eager to do Thy will and to live in good will with all Thy children. In the Master's name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, June 1, 1967, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the amendments of the House to the bill S. 16, an act to provide additional readjustment assistance to veterans who served in the Armed Forces during the Vietnam era, and for other purposes; with an amendment, in which the concurrence of the House is requested.

The message also announced that the Senate insists on its amendment to the House amendment to the bill S. 16 entitled "An act to provide additional readjustment assistance to veterans who served in the Armed Forces during the Vietnam era, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon and appoints Mr. LONG of Louisiana, Mr. SMATHERS, Mr. RANDOLPH, Mr. YARBOROUGH, Mr. WILLIAMS of Delaware, and Mr. DOMINICK to be the conferees on the part of the Senate.

RETIREMENT OF HOUSE CHAPLAIN, DR. EDWARD G. LATCH, AS MINISTER OF THE METROPOLITAN MEMORIAL CHURCH

Mr. EDMONDSON. 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 Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, I know that all Members of this body will share in a feeling of congratulations to our very beloved Chaplain of the House on the news that yesterday he completed his 26th consecutive year of ministry with the Metropolitan Memorial Church, long known as the National Methodist Church here in Washington, D.C., and preached the final sermon of his ministry with that church. He will be devoting full time to his services to the House of Representatives as Chaplain in the future.

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

Mr. EDMONDSON. I am glad to yield to my colleague from Oklahoma.

Mr. ALBERT. I wish to join the gentleman in saluting our beloved Chaplain. Dr. Latch's ministry in Washington has been a very important element in the life of this community, and his ministry here as Chaplain of the House of Representatives will continue to be a very important element in the lives of all of us and all the people of our Nation. I congratulate my colleague from Oklahoma for taking the floor for this purpose.

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

Mr. EDMONDSON. I yield to the distinguished gentleman from Illinois.

Mr. ARENDS. I appreciate very much the gentleman making such complimentary remarks about our present Chaplain. I, too, wish to express my congratulations to Dr. Latch for his long and wonderful service of many years as pastor of Metropolitan Methodist Church and in building up one of the finest and most dedicated congregations in our Nation's Capital. My family and I have been privileged to attend Dr. Latch's church almost every Sunday. I have regretted when I have been prevented from being present to listen to his outstanding sermons. I am glad today Dr. Latch is the "Shepherd" of this House, so to speak, serving in his capacity as our Chaplain. I know we will all continue to be benefited by the fine service he renders us in so many ways. I join all others in congratulating Dr. Latch on his outstanding service at Metropolitan for 26 years. His truly has been a life of dedicated service.

Mr. EDMONDSON. I thank the gentleman.

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

Mr. EDMONDSON. I yield to the gentleman.

Mr. BOGGS. I would like to associate myself with the remarks made by the distinguished gentleman from Oklahoma [Mr. EDMONDSON] and the distinguished majority leader and the minority whip.

We, the Members of the House of Representatives, are very fortunate indeed in having this distinguished Chaplain who each day does a very magnificent job and who is an inspiration to all of us.

Mr. EDMONDSON. I thank the gentleman.

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

Mr. EDMONDSON. I yield to the gentleman.

Mr. ASPINALL. Mr. Speaker, I, too, wish to associate myself with the remarks of the gentleman from Oklahoma and those who have spoken concerning the ability and capabilities and kindnesses of the Chaplain.

I was one who was privileged to be present yesterday when Dr. Latch gave his final sermon after 26 years of service as pastor in the Metropolitan Memorial Church. I can only say that those who were present heard one of the finest sermons and farewell addresses ever made by a minister to his congregation. Dr. Latch possesses the talents which he so graciously and effectively uses in his services to man that he is destined to be one of the great House Chaplains of all time.

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

Mr. EDMONDSON. I yield to the gentleman.

Mr. ABERNETHY. Mr. Speaker, I am glad that the gentleman from Oklahoma took the well of the House this morning to make these remarks and accord to the rest of us the privilege of commenting on the services of Dr. Latch throughout his ministry with the Metropolitan Memorial Methodist Church.

I have been worshiping at Metropolitan for a goodly many years. Dr. Latch has been an inspiration in my life as well as in the lives of thousands of people in this area and in this country. He is a man of God. As a dedicated servant of the Lord, he has been of great ministerial service to the people of this area.

I regret to see Dr. Latch retire from Metropolitan Memorial Methodist Church; but I am very happy that we will continue to benefit from his able and good work as Chaplain of the House of Representatives.

Mr. EDMONDSON. I thank the gentleman.

Mr. ASPINALL. Mr. Speaker, supplementing the remarks which I made concerning the great sermon which our Chaplain, Edward G. Latch, D.D., gave

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when he finished his outstanding service at Metropolitan Memorial Church, I include for the benefit of all, the sermon itself, with the hope that it will be enjoyed by the readers as much as we who heard it given:

IN THE NAME OF THE LORD

(The farewell sermon of Edward G. Latch, D.D., on the occasion of his retirement after 26 years of ministry at the Metropolitan Memorial Methodist Church, Nebraska and New Mexico Avenues NW., Washington, D.C., June 4, 1967)

Well, at last it has come—my retirement after preaching in this pulpit for 26 years. I preached that first Sunday in June of 1941, with fear and trepidation. Today, I have no fear but a lot of trepidation.

I want to thank you for these years of fellowship and fun, of loyalty and love. You have been wonderfully good to us. If my heart speaks too loudly this hour, please forgive me.

Well, I've said that—now I want to preach.

When I was a young man—seventeen years of age—I delivered my first sermon in a little church in Hummelstown, Pennsylvania. My college roommate asked me to preach while he went somewhere else. I recall that day as though it were yesterday. I took for my text:

"Then David said to the Philistine—'you come unto me with a sword and with a spear and with a javelin; but I come unto you in the name of the lord of hosts'"—I Samuel 17: 45).

That is all I remember about that sermon.

This story is one of the best known and most popular in the Bible. Since our early days we have heard about David and Goliath, and it is one of the favorite tales of the Old Testament. The Army of the Philistines was encamped on one hilltop, and across the valley was the Army of the Israelites. The Philistines had a mightly man of valor who came out every day and taunted the Israelites to send the champion against him. Whoever won the personal combat would decide the national issue, but Israel had no champion who could stand against this mighty giant encased in armor and carrying a spear.

Day followed day and the morale of the Israelites had an all-time low. Into this situation came the shepherd boy, David. His father sent him down from Bethlehem with food for three of his brothers who were fighting in the Army of Israel, and a gift to present to the Commander. He was to bring back news of the battle to his father. When David heard Goliath's taunt, he volunteered to go against him, but King Saul was reluctant to send him. Since there was no one else, the king agreed finally that he should go and outfitted him with his armor. The armor did not fit and David cast it aside. Picking up five stones from the brook he took his sling and went forth to meet the arrogant enemy.

Goliath was more amused than angry and cursed the shepherd lad. Then David replied:

"You come unto me with a sword and with a spear and with a javelin; but I come unto you in the name of the Lord of hosts."

Fitting a stone into his sling, he threw it at Goliath, pierced his forehead and killed him.

What I want you to think about for a little while is the great affirmation of David—"I come unto you in the name of the Lord."

This has been the keynote of my ministry. In the four churches that I have served, I have endeavored—all too imperfectly, to be sure—to make my people conscious of the presence of God. In other words: *I came in the name of the Lord.*

Four men were sitting in the locker room of a country club. They had just finished a game of golf to the delight of one and the disappointment of three. One man was especially despondent, and he had reason to be. He had met with business reversals, was confronting failure, and the outlook was altogether black. His friends, realizing the depth of his depression, had arranged this game to attempt to get his mind off his difficult situation. They hoped a few hours on the golf course might give him some relief. Now, he began to talk about his difficulty, and various suggestions were offered him. Finally, one of the men arose to leave. He, too, knew about difficulties and reversals because he had had many of them himself, but he had found an answer to his problem. He laid his hand on the shoulder of his friend and said:

"John, I hope you will not think I am preaching to you—really, I am not, but I would like to suggest something. It is the way I got through my difficulty. It really works if you work it. Why don't you try letting God have his way with you? Give yourself to Him and day by day endeavor to live with Him and let Him live with you. In this faith I found my way out, and by this same faith you can find your way out."

He patted his friend affectionately on the back and then left the room. The other three men sat mulling this over. Finally, the discouraged man said:

"I think I know what he means, and I wonder if he does not have something. I have tried everything else, and now I am going to try this. I am going to let God have His way with me. I will endeavor to live with His Presence in my heart."

This he did, and with the help of his friend and his minister, his own life was changed, and he became a happy and a most useful person. The secret was in his learning to live with God—to live in the name of the Lord.

This suggestion was very wise. There are many people today who are despondent and depressed, just not getting anywhere with themselves or with other people or with their work. They do not need to remain the way they are—really they do not. The secret of life—the secret of abundant living—the secret of a creative faith is to live with God. If they—and we—would only learn to do this, how much better and brighter life would become and how much better and brighter life would be for others.

There is a sense in which we cannot live without God. Although we may never think of him, we are nevertheless absolutely dependent upon Him. Who provides the air we breathe and without which we cannot exist? Who produces the conditions upon which life progresses upon this earth? Who causes the crops to grow, the sun to shine, the rain to fall? Who keeps the planets in their courses? Who creates and sustains this universe of law and order? It is not man but God—God the Father Almighty.

Politically, there may be two worlds—the East and West; actually there is but one world—God's world, and he is at work in every part of it—in the hearts of all people of all Nations. To those who have eyes that see, minds that think, and ears that hear, it is obvious that "someone is at work behind the scene." The universal desire for peace, the growing concern for backward people of the world, the awakening of conscience concerning man's relationship with men are evidences that God is at work.

And He is at work in every one of us. Every twinge of conscience, every feeling of shame and remose, every conviction of wrong within us is God at work in our hearts. Every pure and noble thought, every desire to do a good turn, every victory over evil is God at work within us.

Try as we will we cannot get away from God. The cry of the Psalmist can be echoed by many a man:

"Whither shall I go from Thy Spirit? Whither shall I flee from Thy Presence? If I ascend up into heaven, Thou art there; if I make my bed in hell, behold Thou art there. If I take the wings of the morning and dwell in the uttermost parts of the sea: even there shall Thy hand meet me and Thy right hand shall hold me. If I say, surely the darkness shall cover me: even the night shall be light about me. Yea, the darkness hideth not from Thee; but the night shineth as the day: the darkness and the light are both alike to Thee."

God is with us, and we are absolutely dependent upon Him: We cannot live without God.

But there is a sense in which it is possible for us to live without God. It is possible to believe in the existence of a supreme being and not to make Him supreme in our own being. To live without prayer or worship or Bible reading or Holy Communion is to ignore God.

It is possible for a man to live his life from beginning to end without any conscious reference to the Almighty. All too many do. They go through life, from the cradle to the grave, with scarcely a thought about God. They have longings, yearnings, hopes and fears, but they battle their way through, never looking for the comfort and the strength and the insight which a living faith in the Almighty gives.

Sometimes when things are tough, they may try to pray, but at ordinary times they do not feel the need of prayer. They have never formed the habit of turning to God for help and guidance along the way. They never confess their sins and accept His forgiveness.

Sometimes they wish they were stronger and better, but they never relate themselves to God to become stronger and better. They are just living their lives without the sense of His Presence.

Why do we have so many differences and disagreements in the family circle? Why are men beaten down by alcohol? Why has gambling a fever-hold upon so many? Why do men and women play fast and loose with sex? Why are people proud, jealous, filled with resentment and hatred and ill-will? Is it not because men are living without the sense of the Presence of God? They are adrift from Him, and this is the reason why the world is in such a sorry plight today. If we keep on going as many people are now going, only doom and destruction await us. Well might we fear the atomic and the hydrogen bombs when we do not live with God.

God comes into our world, but our world neglects him and rejects Him, and if we keep on neglecting Him and rejecting Him, we shall suffer the consequences. We need to know that we belong to God and that life will not work without His guidance. We are made for Him and we cannot live our true lives apart from Him. *"Thou hast made us for Thyself and our hearts are restless until they find rest in Thee."* All the discontent and dissatisfaction we feel within us is God calling us home to Himself, and He will go on disturbing us until we come back to Him.

So there is a sense in which we cannot live without God; there is a sense in which we can live without Him. But there is also a sense in which it is possible for us to live consciously and confidentially with Him.

There is no more joyful experience in all the world than to know that you are at home with God, and that each day you are deliberately and definitely letting Him come into every part of your life. There is no more satisfying experience than to know Him personally—not as an idea, but as a person, as the Companion of your way. You may not always be conscious of "someone standing there," but you will be aware of something taking place in your life which lifts you up to higher levels of living.

There is a story of a little boy named Davy, who lived in Scotland. He could not see the trees and the flowers and the birds because he was blind. But he loved fun and he had a kite. One day two men from the city were walking past the home where Davy lived. As they were walking by, they saw,

in a distance, a boy's kite, and there was Davy holding it at the other end. "But, why Lad," said one, "what's the good of your having a kite you cannot see." Then Davy, his face wreathed with happiness, gave you a very good answer: "No, sir, but I like to feel the pull."

Like Davy, you and I may not be able to see God, but we can so live with Him that we can know by the wonderful, warm tug in our hearts that He is real. There is all the difference in the world between people who try to live without God and those who strive to live with Him. That difference is quality—a quality of life.

For one thing, there is a new sense of purpose. It was H. G. Wells who said: "Religion is the first thing and the last thing. And if a man has no religion, he begins nowhere and ends nowhere."

There are too many people who are wandering aimlessly through life. They have no goal, no cause to which they give themselves completely, no dominating ideal which lifts them up. They give no reason for their being here on earth. As J. B. Phillips says: "So often they are waiting for something—waiting for the children to grow up, waiting until their ship comes in, waiting until they get more money, waiting until they can buy a cadillac, waiting for the time when they can retire. Waiting, waiting, waiting—but so often doing little good now." They do not have the sense of a purpose bigger and greater than themselves. Many of them are nice people, but if you ask them, "What are you living for?" They wonder and usually give you rather hazy answers. They can tell you where they live, whom they live with, but they cannot tell you what they live for. When people have nothing to live for, they become bored with life and boredom is a deadly disease. God has a plan for our lives and the real adventure of being alive is to find that plan and to achieve it.

A woman who had a vital experience of the Presence of God which sustains and strengthens her, told of a time when life went to pieces. She lost her husband and was left with a young child. One trouble followed another and she went down, down, down; and under the strain of it all suffered a nervous collapse. Looking back over that time, she said: "I do not know that I lost my faith, but I did lose my way." Then she turned to God and giving her whole attention to Him, she found a new life and a new purpose.

Living with God, we also have a new sense of power. Something greater than ourselves holds us up and keeps us up. A minister tells this story about himself—and what I am saying this morning is as true for ministers as it is for laymen. He was called to a large church in a university community. He wanted to justify the confidence placed in him and he worked very hard and began to feel the results of strain and stress. One day he called on one of the professors, a real friend of his. When this friend was not teaching, he would be out on a lake fishing—so the two went fishing. "But, what's the matter, son?" he asked with understanding, and the minister told him how hard he was trying and that it was getting him down. "I have no feeling of lift or power." The professor chuckled, "Maybe you're trying too hard." When they came ashore he invited him back to his house. Then he said: "Lie down on the couch. I want to read you something. Shut your eyes and relax while I find the quotation." The minister did as directed and thought he was going to hear some philosophical treatise, but instead his friend said: "Here it is—listen quietly while I read it to you and let these words sink in: 'Hast thou not known? Hast thou not heard that the everlasting God, the Lord, the Creator of the ends of the earth, fainteth not, neither is weary? There is no searching of his understanding. He giveth power to the faint; and to them that have no might he increaseth strength. Even the youth shall faint and be weary and the young men shall utterly fall. But they that wait upon the Lord shall renew their strength, etc. Do you know what I'm reading?" The minister replied: "The 40th chapter of Isaiah." "I am glad you know your Bible," his friend said, "why don't you practice it? Now, relax, take three deep breaths, in and out slowly. Practice resting yourself in God, practice depending upon Him for your support and power, believe He is giving it to you now and do not get out of touch with the power. Yield yourself to Him and let His power flow through you." Then he repeated the passage: "They that wait upon the Lord shall renew their strength."

The minister said he never forgot the experience nor did he ever forget the experience of the new sense of power which came to him as he lived with the sense of the Presence of God in his heart.

So can we. We, too can live with power, power to triumph over our troubles; power to conquer our temptations: power to comfort us in sorrow. When a man lives with God, it may not make him exempt from sickness or accidents or pain or bereavement, but it does mean that when trouble comes, he has an altogether adequate resource with which to meet it.

A student said he always liked to be at chapel when a certain man was preaching. Said he: "He stands up there with quiet confidence like a man who holds four aces in his hand. He is unconquerable." As Paul says: "We are more than conquerors through Him." And when we finally face death itself, we can say: "Yea, though I walk through the valley of the shadow of death, I will fear no evil, for Thou art with me." The man who lives with God—in the name of the Lord—has not only a real purpose for living, he also has a real power for life.

A man living with God also takes a positive and constructive attitude toward his problems and toward people. In a world filled with suspicion and hatred and fear, the man who lives with God is confident that God is here working for good in the hearts of those who believe in Him. He believes that this is God's world and he is sure that though God's purposes may sometimes be delayed because of man's folly and wickedness, they can never be finally defeated. He has a message of hope for a world without hope. His message brings confidence to men and women who despair of themselves, for he says to them: "I know someone, someone greater than you and me, someone who has helped me to conquer trouble and temptation, and I know He can help you."

A man and his wife, in real trouble, came to see their minister. The man had had two heart attacks and his wife seemed to be in a steady decline. The question put to the minister was this—"Can I get hold of some power that can help us recover ourselves and give us new hope?" The minister said it could be done and he gave them a simple prescription: They were to read the New Testament and the Psalms until their minds were saturated with the spirit there found. They were to commit certain affirmations to memory. Above all, they were to put their lives completely in the hands of God, believing that God was with them, that God was filling them with power and that He was guiding them even in the most commonplace details of everyday life. They were to picture the healing power of the great physician making them well.

And next spring the wife said: "I have never experienced a more wonderful springtime. The flowers this year are lovelier than ever. The leaves seem greener and I have never heard the birds sing with such melody. She gradually improved and regained much of her old-time strength.

As for the husband—there has been no more heart trouble. Physical, mental and spiritual vigor mark him as being extraordinarily vital. They moved into a new community and have become the center of its life and wherever they touch people they do it with a strange, uplifting force. What was the secret? To live with God and to let God have his way with them—in other words, to live in the name of the Lord.

How can we live confidentially with God? First, take out of your life everything that meets with God's disapproval. Face up to yourself—deliberately, thoughtfully, unflinchingly. This will be the hardest thing that you have ever done because not one of us wants to be fully known, even to ourselves. Ask yourself—is there any dishonesty in my life? Any impurity? any hatred? any bitterness? any evil? If so, remove it by saying in place of dishonesty there will be honesty; in place of impurity, purity; in place of hatred, love; in place of bitterness, sweetness; in place of evil, good.

Change the center of your life from self to God. Then yield yourself to God. Give yourself, surrender yourself to Him and let Him fill your life with health and happiness, peace and power. Toscanini was once preparing the New York Symphony Orchestra for a concert. They were playing Beethoven's Eighth Symphony. The conductor was not at all pleased with their performance and made them play it over and over and over again. Finally, he silenced them and after a long pause said: "Who am I? I am nothing. Who are you? You are nothing, but Beethoven; he is everything."

Likewise, in the presence of God, a man may say—"Who am I? I am nothing. Who are you? You are nothing. But Almighty God? He is everything."

Yield yourself to Him and finally go out to live with Him. You and God together, partners in the glorious adventure of remaking the world. Every minute of every hour of every day, learn to live with Him and henceforth be one of the glorious companions of those who live with God. And a new sense of purpose and power and a new positive attitude toward life will be yours. You will have discovered the secret of creative happiness.

One of the young girls of the church asked me last Sunday what I was going to say in my farewell sermon. When I replied I did not know, she said: "Say something that will last me the rest of my life."

This then is my closing word to you: Live with God. Let God live in your life. May God bless every one of you and keep you always.

GENERAL LEAVE TO EXTEND

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that all Members wishing to do so may have 5 legislative days in which to extend their remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EQUAL TIME TO ANTISMOKERS

Mr. SATTERFIELD. 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 Virginia?

There was no objection.

Mr. SATTERFIELD. Mr. Speaker, I was amazed to read over the weekend that the Federal Communications Commission has held that radio and television stations which carry cigarette ad-

vertising must now provide significant "equal time" to antismokers. This can only be construed to mean they must provide free public service time if necessary.

This ruling constitutes a shocking abuse of power which strikes at the very heart of the advertising industry, the tobacco industry, and our free enterprise system.

It is difficult indeed to comprehend how the fairness doctrine, which has always been questionable at best, can be construed as it has been here, as applicable to paid advertising.

MEMBERS JOURNEY TO SOUTH VIETNAM

Mr. HÉBERT. 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 Louisiana?

There was no objection.

Mr. HÉBERT. Mr. Speaker, I wish the RECORD of today's proceedings to show that Mr. ICHORD, of Missouri; Mr. SPEEDY LONG, of Louisiana; and Mr. BRAY, of Indiana, will be out of the city on official business for the Committee on Armed Services until June 16.

At the specific direction of the chairman of the committee they have journeyed to South Vietnam to conduct an investigation of the M–16 rifle.

THE NEAR EAST SITUATION

Mr. RYAN. 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 New York?

There was no objection.

Mr. RYAN. Mr. Speaker, we stand at a decisive moment in history as the very existence of the democracy of Israel is threatened by her enemies.

It should be unmistakably clear that today's fighting did not arise from any misunderstanding but is part and parcel of a continuing pattern of aggression which has persisted throughout Israel's 20-year history.

Nasser's determination to destroy Israel has brought us to the critical situation which confronts us today in the Middle East.

Not only is Israel under attack, but the United Nations is under attack; for Israel was created by the United Nations. Egypt's demand for the withdrawal of U.N. troops from the border in the Sinai Peninsula and from Sharm El Sheik at the Strait of Tiran raises a very serious challenge as to the purpose and the future of the United Nations.

Mr. Speaker, the President of the United States has reaffirmed our commitment to Israel and to stand by her in this crisis. Today, I understand, the President is supporting a cease-fire through the United Nations. This is urgent. It will require the support of the Soviet Union, which has dangerously encouraged Nasser to embark upon this very precarious path of aggression.

Every effort must be made to achieve a cease-fire.

I also want to give strong support to the idea of a four-power conference between the United States, the Soviet Union, Great Britain, and France, to guarantee the territorial integrity of Israel and also to guarantee the right of free and innocent passage through international waterways, specifically through the Strait of Tiran.

British Prime Minister Harold Wilson said, "Time is emphatically not on our side."

Mr. Speaker, if diplomacy does not work, if the cease-fire is not achieved, and promptly, it is incumbent upon the United States to honor its commitment embodied in the Tripartite Declaration and in the statements of four Presidents and to do whatever is necessary to protect Israel in this hour of crisis.

WAR IN THE MIDDLE EAST

Mr. FARBSTEIN. 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 New York?

There was no objection.

Mr. FARBSTEIN. Mr. Speaker, It was with a heavy heart that I heard on the air this morning that war had broken out in the Middle East. I do not think it matters very much whether a column of Egyptians were seen approaching Israel in the desert or whether Israel fired the first shot. To me it seemed that war was inevitable when the Strait of Tiran was closed and the status quo was being permitted to harden, depriving Israel of its lifeline to the Red Sea, Asia, and Africa.

The U.N., I fear, is at this time handcuffed by the Soviet veto.

It should be remembered that Israel represents the American presence in the Middle East. The question now presents itself whether domination is to be taken over the area by an outside power that has made a career of causing difficulty to the Western world.

I am certain that the commitments to this little nation of 2½ million people will not be forgotten; that this little nation built from the ashes of 6 million people whose only crime it was that they were born Jewish will not find itself friendless at the moment of its travail. I fully believe that this great Nation will at this difficult time, remember Israel which was born while the American flag was waving overhead.

REVIVALTIME CHOIR FROM SPRINGFIELD, MO.

Mr. HALL. 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 Missouri?

There was no objection.

Mr. HALL. Mr. Speaker, in these troublous times, it is indeed a privilege to invite all Members and guests to appear on the House steps, through courtesy of arrangements properly made through the Speaker, to hear the Revivaltime Choir at 1:30 p.m. this afternoon. I would hope the Members can step out and hear this a capella group which emanates from the Assemblies of God denomination, which has its international headquarters in my hometown of Springfield. Mr. Lee Shultz is the national secretary of radio. This program is heard weekly on the "Revivaltime" broadcast produced in Missouri. This appearance heralds the beginning of many stops on a 30-day tour this summer. The Reverend Jack Risner is the field representative, and Mr. Cyril McLellan is the choir director. I hope that as many of my colleagues as can be spared from their duties will step out and hear this a capella choir this afternoon.

DISTRICT COMMITTEE IS LOGICAL FORUM FOR REORGANIZATION

Mr. NELSEN. 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 Minnesota?

There was no objection.

Mr. NELSEN. Mr. Speaker, last week the President sent to Congress his plan for the reorganization of the District of Columbia government. In doing so he has chosen to follow the procedure of the Reorganization Act of 1949 which gives limited authority to the President for the reorganization of executive agencies of the Government. Under the Reorganization Act procedure, proposals submitted by the President are referred to the jurisdiction of the House and Senate Government Operations Committees and so the President's District reorganization plan would not be referred to the District of Columbia Committees for consideration.

Today, I am introducing as a bill the President's Reorganization Plan No. 3 of 1967 for one reason and one reason alone—for the specific purpose of bringing before the District of Columbia Committee the recommendations of the executive branch. The District Committees of the House and Senate are the logical forums for reviewing any such substantial proposals affecting the government of our Nation's Capital.

Moreover, unless the President's proposal is considered as legislation, Congress will have no opportunity to amend or improve the plan. Congress is left in the position of swallowing the plan whole or rejecting it entirely.

I have served on the House District of Columbia Committee for 8 years and at no time during that period has the Executive presented our committee with any proposal for the reorganization of the District government. Had any been submitted, I can say that the committee would have given it every consideration in an effort to contribute to the efficiency

of the administration of government in the District of Columbia.

No one will question the need for reorganization of the District government looking toward more centralized planning, the fixing of executive responsibility and the avoidance of needless and wasteful duplication. I am in no position to judge whether the President's proposed reorganization plan will necessarily accomplish these objectives in the best possible manner. That question can be resolved only after a study in depth by the committee which is charged with the responsibility of advising the House on matters pertaining to the government of the District of Columbia.

We might well question the advisability of using the Reorganization Act procedure to effect such a substantial change in the structure of the District of Columbia government, and we might even question the legality of such an approach under the Reorganization Act itself. In the past I have been critical of the manner in which this entire matter was handled by the White House. But all I am seeking to do today by the introduction of this proposal is to give our Committee on the District of Columbia the opportunity to study at first hand the provisions and implications of the President's proposal.

THE MIDDLE EAST CRISIS

Mr. BINGHAM. 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 New York?

There was no objection.

Mr. BINGHAM. Mr. Speaker, as the tragic conflict now underway in the Middle East proceeds, it is essential that we keep two basic facts in mind.

First, for all these years Israel wanted nothing more than to be left alone. The Arab States, as they have constantly stated, wanted the destruction of Israel. The Arab States are thus self-proclaimed aggressors.

Second, Nasser brought on the present crisis by his demand for the withdrawal of U.N. troops and by his proclamation of an illegal blockade of the Gulf of Aqaba, an international waterway.

It would be a mistake for us now to get caught up in an argument about who started the shooting this morning. If a bandit openly threatens to destroy your family and your home, you may not want to wait for the bandit to fire the first shot.

Israel was our protege and is our friend. Israel is the victim of clear aggression. The United States must act accordingly.

I trust that the President will extend to Israel whatever assistance may be necessary and that the Congress will fully support the President in so doing.

Some of us may want to do something immediate and tangible to express our support for Israel; for example, by giving blood.

Mr. Speaker, I suggest that the House physician be asked to make arrangements for this as soon as possible, to accommodate Members and staff who may be so inclined.

TO REVISE THE QUOTA CONTROL SYSTEM ON THE IMPORTATION OF CERTAIN MEAT AND MEAT PRODUCTS

Mr. BROWN of Ohio. 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 Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, a little over 2 months ago, many Members of this body, myself included, raised a protest over the treatment of America's dairymen by the U.S. Department of Agriculture. It would appear that, by painfully slow steps, the desperate situation faced by our dairymen because of prejudiced administration of import controls is beginning to ease.

But the farmer in this great Nation is still a long way from enjoying the traditional American right of unencumbered participation in the free enterprise system. We should not and cannot expect an overnight transition from heavy-handed Government control to complete free-swinging independence from restrictions. Some Federal participation may be necessary in the national interest.

But another example of inequitable treatment of farmers by the present administration has become boldly apparent. I refer to the handling of import controls on meat and meat products.

At a time when the American farmer faces serious economic challenges, the Meat Import Act of 1964—Public Law 88–482—is entirely ineffective in any real relief for meat producers in this country.

When net beef imports in the year 1966 are totaled, including those which are not covered in the law, they amount to almost 10 percent of the total U.S. commercial beef production. And for the first 3 months of 1967, beef imports were 23 percent greater than the comparable period for 1966. There has been a steady increase in canned, cooked, and cured beef imports in this same period.

I have today introduced a bill to revise the quota-control system on the importation of certain meat and meat products. This is the same measure that has attracted wide support in both Houses of Congress because it is a step in the direction of strength for the meat-producing sector of our economy.

I urge the House Ways and Means Committee, whose esteemed chairman, the gentleman from Arkansas, WILBUR MILLS, is one of many sponsors of this legislation, to place consideration of this problem high on its agenda, and I urge the support of all Members of Congress for an equitable policy on the importation of meat and meat products.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

RATES OF TRANSPORTATION OF MAIL BY VESSEL

The Clerk called the bill (H.R. 3979) to amend section 6409(b)(1) of title 39, United States Code, which relates to transportation compensation paid by the Postmaster General.

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

H.R. 3979

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (1) of section 6409(b) of title 39, United States Code, is amended by striking out "may pay compensation not to exceed 80 cents a pound for letters, post cards and postal cards, and 8 cents a pound for other articles" and inserting in lieu thereof "may be compensated at rates fixed by the Postmaster General".

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That paragraph (1) of section 6409(b) of title 39, United States Code, is amended by striking out 'may pay compensation not to exceed eighty cents a pound for letters, post cards and postal cards, and eight cents a pound for other articles' and inserting in lieu thereof 'may pay compensation at rates fixed by him'."

The committee amendment was agreed to.

Mr. MATSUNAGA. 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 Hawaii?

There was no objection.

Mr. MATSUNAGA. Mr. Speaker, I rise to urge a unanimous vote in favor of H.R. 3979, a bill which I introduced to correct an inequitable situation relating to the rates of compensation that may be paid for transportation of mail on vessels of U.S. registry.

It is somewhat surprising, but true, that for 40 years there has been no change in the ceiling placed by statute upon what the Post Office Department may pay U.S.-flag vessels for the transportation of international mail. The law provides a limit of 80 cents a pound for letter mail and 8 cents a pound for other mail. This statute recognized the two classes of mail which existed in the Universal Postal Union at the time of its enactment.

The statutory maximum was most generous, being based upon the concept of paying U.S.-flag vessels up to the entire amount collected for postage, and it was a common practice of many postal administrations to authorize payment of the maximum.

However, the statute was made obsolete in 1954 when the Universal Postal Union created a single class of mail for the settlement of accounts for maritime transit. The immediate effect of a single classification was to lower the statutory maximum from 80 cents to 8 cents a pound, the limit for mail other than letters, as such mail now was included in the single classification. What had once been an extremely generous law had therefore become restrictively unfair.

Moreover, this reduction in payments to vessels of U.S. registry has never been adjusted to help meet the rising costs in the shipping industry.

The situation now borders on the intolerable as a result of the most recent Universal Postal Union Convention which made effective on January 1, 1966, a much higher scale of rates for the settlement of maritime postal transportation accounts. These rates exceed by as much as 37 percent those which are paid by our Post Office Department to U.S.-flag vessels.

The measure on the floor is intended to correct the inequitable situation under which U.S.-flag vessels are presently carrying mail. It is my understanding that many American vessels, particularly those which ply along the extensive routes in the Pacific, are carrying mail at a loss.

H.R. 3979 does not purport to establish a mandatory rate schedule of compensation for transportation of mail by vessels of U.S. registry. The bill merely provides that U.S. vessels may be compensated at rates fixed by the Postmaster General, leaving the matter of determining mail rates for maritime services to his sound judgment. It is my understanding that the Post Office Department has no objection to the elimination of the present statutory rate ceilings and the substitution therefor of the language which is found in the proposed legislation.

During the hearings, the Post Office Department witnesses testified that they were hopeful that the overall cost of transporting mail by U.S. vessels would not be increased by the enactment of this measure. They pointed out that, while it is reasonable to anticipate that some long-haul rates would be increased, it is their view that there would be an offsetting reduction in some short-haul rates.

Mr. Speaker, this measure is deserving of our full support. I urge a unanimous vote for its passage.

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.

PROVIDING FOR THE REAPPOINTMENT OF JEROME C. HUNSAKER AS CITIZEN REGENT OF THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

The Clerk called the joint resolution (S.J. Res. 58) to provide for the reappointment of Jerome C. Hunsaker as a citizen regent of the Board of Regents of the Smithsonian Institution.

There being no objection, the Clerk read the Senate joint resolution, as follows:

S.J. Res. 58

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, occurring by the expiration of the term of Jerome C. Hunsaker, of Boston, Massachusetts, on March 29, 1967, be filled by the reappointment of the present incumbent for the statutory term of six years.

Mr. BURLESON. 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. BURLESON. Mr. Speaker, Senate Joint Resolution 58 reappoints Dr. Jerome C. Hunsaker to the Board of Regents of the Smithsonian Institution. The Board of Regents of the Smithsonian Institution is composed of the Vice President, the Chief Justice, three Senators, three Members of the House, and six other persons other than Members of Congress. The law provides that appointments of the six citizen regents shall be by joint resolution to serve a 6-year term. Regents receive no salary or compensation, but are paid actual expenses in attending Board meetings.

Dr. Hunsaker was first appointed to the Board of Regents in 1949 and has served three consecutive terms. His appointment expired on March 29, 1967. His reappointment for a fourth term is unopposed and has the support of both the Senate and House Members of the Board of Regents, and officials of the Smithsonian Institution.

Dr. Hunsaker's background eminently qualifies him for membership on the Board of Regents. He has been associated with the Massachusetts Institute of Technology; a director of the McGraw-Hill Publishing Co.; former chief of aircraft design in the U.S. Navy; former vice president of Bell Telephone Laboratories and Goodyear-Zeppelin Corp.; founder and first president of the Institute of the Aeronautical Sciences; chairman of the National Advisory Committee for Aeronautics, and a participant in numerous other noteworthy and meritorious activities as set forth in the report No. 264 accompanying this joint resolution.

Mr. Speaker, I trust the resolution will be unanimously approved.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VILLAGE OF BROOKLYN CENTER, MINN.

The Clerk called the bill (H.R. 4496) for the relief of the village of Brooklyn Center, Minn.

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

H.R. 4496

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the village of Brooklyn Center, Minnesota, the sum of $2,036.62. The payment of such sum shall be in full settlement of all claims of the village of Brooklyn Center, Minnesota, against the United States for reimbursement for one-half of the cost of certain civil defense alerting monitors and tone signaling equipment which were purchased by the village during the year 1963 in reliance on an assurance by civil defense officials that such reimbursement would be made. No part of this amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

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.

PERSONAL PROPERTY CLAIMS BY EMPLOYEES OF THE GOVERNMENT OF THE DISTRICT OF COLUMBIA

The Clerk called the bill (H.R. 8140) to provide for the settlement of claims against the District of Columbia by officers and employees of the District of Columbia for damage to, or loss of, personal property incident to their service, and for other purposes.

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

H.R. 8140

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of the Act entitled "Military Personnel and Civilian Employees' Claims Act of 1964", approved August 31, 1964 (18 Stat. 767; 31 U.S.C.A. 240–242), including amendments thereof made before, on, or after the effective date of this Act, shall apply in respect to the damage to, or loss of, personal property occurring on or after the effective date of this Act and incident to service of any officer or employee in or under the government of the District of Columbia, irrespective of whether the damage or loss occurs within or outside the District of Columbia, except that in applying such provisions the terms "agency" and "United States" shall be held to mean the government of the District of Columbia, and the term "head of agency" shall be held to mean the Commissioners of the District of Columbia.

With the following committee amendment:

Strike all after the enacting clause and insert:

"That section 3 of the Military Personnel and Civilian Employees' Claims Act of 1964, as amended (78 Stat. 767; 31 U.S.C. 240–242, as amended) is amended by the addition of the following subsection: '(f) The provisions of this Act apply in respect to the damage to, or loss of, personal property incident to service of any officer or employee of the government of the District of Columbia, irrespective of whether the damage or loss occurs within or outside the District of Columbia, except that in applying such provisions in connection with the damage or loss of personal property of an officer or employee of the government of the District of Columbia, the term 'agency' and 'United States' shall be held to mean the government of the District of Columbia, and the term 'head of agency' shall be held to mean the Commissioners of the District of Columbia.'"

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.

PROVIDING LONG-TERM LEASING FOR THE GILA RIVER INDIAN RESERVATION

The Clerk called the bill (H.R. 2154) to provide long-term leasing for the Gila River Indian Reservation.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, I should like to ask someone the question of whether this will in any way change the term of the grazing leases?

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

Mr. GROSS. I am glad to yield to the gentleman from Florida.

Mr. HALEY. It is a change in the term of leases authorizing long-term leasing of land.

Mr. GROSS. This would provide for 99-year leases?

Mr. HALEY. The gentleman is correct.

Mr. GROSS. Under those circumstances, why is the 10-year grazing lease provision not increased? I am curious. I make no issue of it.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield to me?

Mr. GROSS. I am glad to yield to the gentleman from Colorado.

Mr. ASPINALL. This would permit, if it is so desired, for any contract or any lease agreement to be changed in accordance with the demands of the present period. What this legislation is supposed to take care of, however, is an industrial complex or business undertaking that may be possible on an Indian reservation. If it would be to the advantage of the Indians to enter into longer leases, they could do so, but a 40- or 50- or 25-year grazing lease, for that matter, is usually the extent that anybody would want to enter into a lease of that kind.

Mr. GROSS. I thank the gentleman.

Mr. HALEY. Mr. Speaker, H.R. 2154, introduced by our colleague from Arizona [Mr. UDALL], is a bill to authorize long-term leasing of lands of the Gila River Indian Reservation.

Present law permits Indian reservation lands to be leased for various purposes for terms of 25 years with an option to renew for not to exceed an additional 25 years. In many instances, this leasing authority is adequate; however, in some cases the Subcommittee on Indian Affairs and the Committee on Interior and Insular Affairs have been persuaded to recommend enactment of legislation authorizing leases for a term of 99 years. To date, the Congress has enacted legislation extending such authority to nine reservations.

The Gila River Indian Reservation is located just south of the city of Phoenix. Because of its proximity to this rapidly expanding city and because the reservation will be crossed by a new interstate highway, its lands are a substantial tribal asset. For the benefit of the members of the tribe, every effort should be made to encourage development of reservation lands. Under existing authority substantial developments are unlikely because of current minimum legal requirements for construction and development loans for lessees. Authority for longer term leases would permit flexibility to meet these circumstances when they arise.

Mr. Speaker, the testimony before the Subcommittee on Indian Affairs indicated that the Gila River Indians are making every effort to improve their economic well-being. The tribe has developed a challenging self-improvement program which, it is hoped, will be advanced if legislation authorizing 99-year leases is enacted. In all likelihood, in this location, substantial developments could result which should provide new employment opportunities and a better standard of living for the members of the tribe. I am pleased, Mr. Speaker, to recommend H.R. 2154 to the Members of the House and I urge its enactment.

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

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

H.R. 2154

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of August 9, 1955 (69 Stat. 539), as amended, is hereby amended as follows: After the words "Pyramid Lake Reservation," insert the words "the Gila River Reservation,".

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.

INDIAN LANDS ON THE HUALAPAI RESERVATION, ARIZ.

The Clerk called the bill (H.R. 4919) to amend the act of August 9, 1955, to authorize longer term leases of Indian lands on the Hualapai Reservation in Arizona.

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

H.R. 4919

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 1 of the Act of August 9, 1955 (69 Stat. 539), as amended (25 U.S.C. 415), is hereby further amended by inserting the words "the Hualapai Reservation," after the words "the Fort Mojave Reservation,".

Mr. HALEY. Mr. Speaker, the bill which we now have before us (H.R. 4919) is not controversial. It is simply a bill which would add the Hualapai Indian Reservation of Arizona to the list of Indian reservations authorized to negotiate leases for terms up to 99 years.

H.R. 4919 was introduced by our colleague from Arizona [Mr. STEIGER] who represents the people of this area. He advised the Subcommittee on Indian Affairs that there are pending lease proposals which would be beneficial to the Hualapai Tribe; however, final arrangements are contingent upon leasing authority for a term longer than the present maximum term of 50 years.

There are several reasons why longer term leases are sometimes necessary. It is understandable that a person making a substantial investment in development of lands would want a lease of reasonable duration to protect his investment. It is, also, understandable why a tribe would desire to have a reasonable degree of flexibility in negotiating long-term leases for reservation lands, because such flexibility provides the tribe with a means to compete for developments with non-Indian lands for which fee title is generally available. But the most important reason for 99-year leasing authority is that the 50-year term is generally inadequate because necessary financing is often unavailable under current minimum legal requirements.

Mr. Speaker, H.R. 4919 will do for the Hualapai Reservation what the Congress has already done for nine other tribal reservations. The rate of unemployment on this particular reservation is extremely high and the average annual per capita income is desperately low. Hopefully, the authority to negotiate leases up to 99 years will attract developments which will afford the residents of this reservation an opportunity to upgrade their economy. I want to recommend H.R. 4919 to my colleagues and I urge its enactment.

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.

COLONIAL NATIONAL HISTORICAL PARK, YORKTOWN, VA.

The Clerk called the bill (H.R. 7362) to authorize the Secretary of the Interior to acquire certain properties within the Colonial National Historical Park, in Yorktown, Va., and for other purposes.

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

H.R. 7362

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to permit acquisition of the Thomas Nelson House, the Edmund Smith House, the John Ballard House, and the Thomas Pate House, all of which are located within the boundaries of the Colonial National Historical Park on lots numbered 42A, 44 through 55, 84, 85, and 120 through 129, and known as the George Waller Blow Estate, the appropriation authorization in section 4 of the Act of July 3, 1930, as amended (46 Stat. 1490), is amended by deleting "$2,000,000" and substituting "$2,777,000".

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. TAYLOR] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. TAYLOR. Mr. Speaker, H.R. 7362 is a bill to amend existing legislation with regard to the Colonial National Historical Park. The bill would have the effect of raising the amount authorized to be appropriated from $2 million to $2,777,000.

This area, which was originally authorized in 1930 as Colonial National Monument, has received congressional attention on previous occasions. The first, in 1931, increased the amount authorized to be appropriated from $500,000 to $2,000,000. Another one, in 1936, redesignated the area as a national historic park.

Of the $2 million authorized to be appropriated at the present time, we are advised that $1,551,188 has been appropriated and that the remaining $448,812 is

programed for acquisition of certain inholdings.

Over the years, considerable progress has been made toward acquiring Yorktown lands for the historical park. Enactment of H.R. 7362, which would increase the existing appropriation ceiling by $777,000, would enable the Park Service to acquire the George Waller Blow Estate. With this acquisition, all of the 1,452-foot frontage on the east side of Main Street would be publicly owned and over 50 percent of the frontage on the west side would be in public ownership. Only one small lot on the waterfront would remain unacquired.

The Blow property is recognized as "one of the most historically significant holdings" relating to the historic park. It includes nine buildings—four of which are of considerable historic value. They are:

First. The "Scotch Tom" Nelson House, which was built in the 1730's, is the only remaining grand townhouse of the period in Yorktown. Built by "Scotch Tom" Nelson, it was the home of his son, Thomas Nelson, who was the wartime Governor of Virginia, the commander of the Virginia militia, and a signer of the Declaration of Independence. The house, it is believed, was used by Cornwallis as his headquarters in the closing days of the siege of 1781.

Second. The Edmund Smith House, known to have been built in 1750, is adjacent to the Nelson House and was the home of Nelson's Lieutenant Governor, David Jameson.

Third. The John Ballard House is one of two remaining colonial frame houses in Yorktown. In 1744, it was the home of a prominent merchant, Captain John Ballard.

Fourth. The Thomas Pate House, a small brick cottage mentioned as early as 1703 in correspondence, was the home of Cole Diggs, another merchant.

These properties, which were acquired by George Waller Blow around 1900 and restored under the direction of noted Philadelphia architects, are in excellent condition. Failure to include them as an integral part of the national historical park would seriously impair the preservation effort being made by the Park Service. As Mr. Carlisle H. Humelsine, chairman of the American Revolutionary Bicentennial Commission stated:

> Without this purchase I don't believe it will be possible ever to have a really outstanding historical park. The Blow properties represent the heart of Yorktown, and commercial development of this area would be a body blow to the entire Yorktown effort.

The owners of these properties are willing sellers, Mr. Speaker. They have given the United States an option, which expires on August 31, 1967, to purchase these historical properties at the Government-appraised price. The Nation owes this family a debt of gratitude for preserving these invaluable, irreplaceable monuments of our heritage and for unselfishly affording us this opportunity to acquire them.

Mr. Speaker, we all know that the siege of Yorktown in 1781 was one of the most important battles of the Revolutionary War. It was here that the allied armies, commanded by General Washington, inflicted such severe damages on the British forces that their commander was forced to surrender. This decisive victory settled the question of our national independence. It is highly fitting and proper that we should seize upon this opportunity to preserve these properties associated with our Revolutionary War history for the benefit of this and future generations.

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.

FUNDS OF THE UPPER AND LOWER CHEHALIS TRIBES

The Clerk called the bill (H.R. 678) to provide for the disposition of funds appropriated to pay a judgment in favor of the Upper and Lower Chehalis Tribes of Indians in Claims Commission docket No. 237, and for other purposes.

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

H.R. 678

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior shall prepare a roll of all persons who meet the following requirements for eligibility: (a) They were alive on the date of this Act, and (b) they are descendants of members of the Upper and Lower Chehalis Tribes as they existed in 1855. Applications for enrollment must be filed with the area director of the Bureau of Indian Affairs, Portland, Oregon, on forms prescribed for that purpose. The determination of the Secretary regarding the utilization of available rolls or records and the eligibility for enrollment of an applicant shall be final.

SEC. 2. After the deduction of attorney fees, litigation expenses, the costs of roll preparation, and such sums as may be required to distribute individual shares, the funds, including interest, remaining to the credit of the Upper and Lower Chehalis Tribes, which were appropriated by the Act of June 9, 1964 (78 Stat. 213), shall be distributed in equal shares to those persons whose names appear on the roll prepared in accordance with section 1 of this Act.

SEC. 3. Sums payable to enrollees or to their heirs or legatees who are less than twenty-one years of age or who are under a legal disability shall be paid to the persons whom the Secretary determines will best protect their interests. Proportional shares of heirs or legatees amounting to $5 or less shall not be distributed, and shall escheat to the United States. In the event that the sum of money reserved by the Secretary to pay the costs of distributing the individual shares exceeds the amount actually necessary to accomplish this purpose, the money remaining shall also be distributed per capita unless individual shares would have a value of less than $5. In this event the total sum remaining after initial distribution shall escheat to the United States.

SEC. 4. The funds distributed under the provisions of this Act shall not be subject to Federal or State income taxes.

SEC. 5. The Secretary of the Interior is authorized to prescribe rules and regulations to carry out the provisions of this Act.

With the following committee amendments:

On page 1, lines 8 and 9, strike out "area director of the Bureau of Indian Affairs, Portland, Oregon," and insert "Superintendent, Western Washington Agency, Everett, Washington,".

On page 2, lines 14 and 15, strike out "shall be paid to the persons whom the Secretary determines will best protect their interests." and insert "shall be held in trust by the Superintendent, Western Washington Agency, until such minor becomes of age or disability ceases.".

On page 2, lines 23 and 24, strike out "In this event the total sum remaining after initial distribution shall escheat to the United States." and insert "individual shares or proportional shares of heirs or legatees amounting to $5 or less shall not be distributed, but shall escheat to the United States.".

On page 3, line 5, strike out "this Act." and insert "this Act, including appropriate deadline for filing enrollment applications.".

The committee amendments were 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.

CHANGE IN NAME OF CERTAIN WATER RESOURCE PROJECTS

The Clerk called the bill (S. 1649) authorizing the change in name of certain water resource projects under jurisdiction of the Department of the Army.

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

S. 1649

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the names of the following locks and dams, reservoirs, and other navigation and flood control facilities under jurisdiction of the Department of the Army, are hereby changed as follows:

the Bluestone Dam and Reservoir, New River, West Virginia, authorized by the Flood Control Acts of 1936 and 1938, to the "Bluestone Lake";

the Sutton Dam and Reservoir, Elk Creek, West Virginia, authorized by the Flood Control Act of 1938, to the "Sutton Lake";

the Tygart Dam and Reservoir, Tygart River, West Virginia, authorized by the River and Harbor Act of 1935, to the "Tygart Lake";

the East Lynn Dam and Reservoir, East Fork of Twelvepole Creek, West Virginia, authorized by the Flood Control Act of 1938, to the "East Lynn Lake";

the Summersville Dam and Reservoir, Gauley River, West Virginia, authorized by the Flood Control Act of 1938, to the "Summersville Lake";

the Burnsville Dam and Reservoir, Little Kanawha River, West Virginia, authorized by the Flood Control Act of 1938, to the "Burnsville Lake";

the Birch Dam and Reservoir, Elk River, West Virginia, authorized by the Flood Control Act of 1938, to the "Birch Lake";

Steer Creek Dam and Reservoir, Steer Creek, West Virginia, authorized by the Flood Control Act of 1938, to the "Steer Creek Lake";

the West Fork Dam and Reservoir, Little Kanawha River, West Virginia, authorized by the Flood Control Act of 1938, to the "West Fork Lake";

the Beech Fork Dam and Reservoir, Twelvepole Creek, West Virginia, authorized by the Flood Control Act of 1962, to the "Beech Fork Lake";

the R. D. Bailey Dam and Reservoir, Guyandot River, West Virginia, authorized by the Flood Control Act of 1962, to the "R. D. Bailey Lake";

the Rowlesburg Dam and Reservoir, Cheat River, West Virginia, authorized by the Flood

Control Act of 1965, to the "Rowlesburg Lake";

the Panther Creek Dam and Reservoir, Panther Creek, West Virginia, authorized by the Flood Control Act of 1965, to the "Panther Creek Lake";

the Stonewall Jackson Dam and Reservoir, West Fork River, West Virginia, authorized by the Flood Control Act of 1966, to the "Stonewall Jackson Lake";

the pumping plant authorized to be constructed by the Flood Control Act of 1950 on the Saint Francis River, Arkansas, southeast of Marianna, Arkansas, to the "W. G. Huxtable Pumping Plant";

the ship channel from the San Francisco Bar Channel through the San Francisco, San Pablo, and Suisun Bays to the downstream terminus of the Stockton Deep Water Channel, to the "John F. Baldwin Ship Channel";

the navigation lock and water control structure known as structure 79 of the central and southern Florida flood control project located on the Caloosahatchee River in the State of Florida, to the "W. P. Franklin Lock and Control Structure";

the dam, commonly referred to as Garrison Dam, located on the Missouri River in North Dakota, is hereby officially designated as "Garrison Dam"; and

the reservoir, known as Garrison Reservoir or Garrison Lake, located above Garrison Dam to "Lake Sakakawea."

SEC. 2. Any law, regulation, map, document, or record of the United States in which any such lock and dam, reservoir, or other navigation and flood control facility is referred to by its former name shall be held to refer to such lock and dam, reservoir, or other navigation and flood control facility by the name designated herein.

With the following committee amendments:

On page 4, line 7, strike out "and".

On page 4, strike out line 10 and insert in lieu thereof the following: "Sakakawea";

"the Dam B and Reservoir on Neches River, Texas, authorized by the River and Harbor Act of 1945, to the 'Town Bluff Dam' and 'B. A. Steinhagen Lake', respectively;

"the Blanchard Dam on Bald Eagle Creek, Pennsylvania, authorized by the Flood Control Act of 1954, to the 'Foster Joseph Sayers Dam';

"the Port Hueneme Small Craft Harbor, California, authorized by the River and Harbor Act of 1954, to the 'Channel Islands Harbor';

"the Buck Creek Dam and Reservoir, Springfield, Ohio, authorized by the Flood Control Act of 1962, to the 'Clarence J. Brown Dam and Reservoir'; and

"the Lock and Dam 14, Arkansas River, Oklahoma, authorized by the River and Harbor Act of 1946, to the 'W. D. Mayo Lock and Dam'."

The committee amendments were agreed to.

Mr. EDMONDSON. 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 Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, I am highly pleased that the House has amended S. 1649 to add to that bill the designation of lock and dam No. 14, on the Arkansas River in Oklahoma, to be known in the future as "W. D. Mayo lock and dam."

This action, if accepted by the other body and signed by the President, will give Federal agreement to the name placed on this great structure by the Oklahoma Legislature last February, when it unanimously approved Senate Concurrent Resolution 6.

It also gives much deserved recognition to a great pioneering Oklahoma civic leader who was one of the early champions of Arkansas River development and navigation.

I believe it is especially appropriate that the first lock and dam on the Arkansas channel as you enter Oklahoma from Arkansas should be named for a gallant pioneer who shared the early dream of full river development, and worked to make that dream a reality.

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

LOANS TO CERTAIN OFFICERS OF MEMBER BANKS AND FEDERAL CREDIT UNIONS

The Clerk called the bill (H.R. 9682) to amend section 22(g) of the Federal Reserve Act relating to loans to executive officers by member banks of the Federal Reserve System, and to amend the Federal Credit Union Act to modify the loan provisions relating to directors, members of the supervisory committee, and members of the credit committee of Federal credit unions.

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

Mr. PELLY. Mr. Speaker, reserving the right to object, I would like to remind the distinguished chairman of the Committee on Banking and Currency [Mr. PATMAN] that the report that accompanies this bill does not indicate the views of the various departments. The departmental views are not printed in the report on the bill. It gives a list of various people who testified on the bill, but it does not indicate how they expressed themselves nor does it give the views of the Bureau of the Budget.

Mr. Speaker, it would be helpful to the official objectors and to those who are trying to evaluate legislation if committees would furnish to us in the committee reports on the various bills, printed in full the letters from the various departments and agencies affected by the legislation in question.

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

Mr. PELLY. I shall be glad to yield to the gentleman from Texas.

Mr. PATMAN. I am sorry that they left that out of this report on this particular piece of legislation. However, I have them here and shall be happy to make them available to all Members. They, unfortunately, were received after the report was filed.

Mr. PELLY. I feel it would be helpful from the standpoint of consideration of this legislation.

Mr. Speaker, may I inquire of the gentleman from Texas if these reports are all favorable.

Mr. PATMAN. Mr. Speaker, if the gentleman from Washington will yield further, the reports are available and I can assure the gentleman from Washington that the Bureau of the Budget has endorsed this legislation. The reports from the Federal Reserve Board and Federal Bureau of Credit Unions are favorable.

Mr. Speaker, there are no funds authorized to be expended on the part of the Federal Government on this legislation at all. There is no cost involved. It was passed unanimously by the other body and was reported out of the Committee on Banking and Currency by a unanimous vote.

Mr. ASPINALL. Mr. Speaker, will the gentleman from Washington yield to me at this point?

Mr. PELLY. I am glad to yield to the gentleman from Colorado.

Mr. ASPINALL. Mr. Speaker, I wish to commend the gentleman from Washington [Mr. PELLY] for bringing this to the attention of the chairman of the Committee on Banking and Currency and to the attention of all the chairmen of the standing committees of the House.

Mr. Speaker, everyone should have read the letter of instructions that was placed in the RECORD at the beginning of our session insofar as the operation of the Consent Calendar is concerned.

Mr. Speaker, one of the demands, and one of the requests, pursuant to the procedures which were set forth in that letter of instruction, was to the effect that all of the letters from the departments and agencies involved would be printed in the committee reports and would be available thus to all of the Members.

Now, Mr. Speaker, this is the second time that we have had to defer to the requests of chairmen who have failed to pay attention to those rules which we have previously laid down. In this instance, in view of the fact that the House has been assured that these favorable reports will be placed in the RECORD upon this legislation, I have no objection. However, from here on out, it seems to me that all reports should be inserted in the committee reports.

Mr. PELLY. Mr. Speaker, I withdraw my reservation of objection.

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

Mr. HALL. Mr. Speaker, further reserving the right to object, in view of the foregoing statements and further in view of the fact that this legislation is scheduled for consideration under a suspension of the rules, I feel it should be debated, and I now ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

CERTAIN CHILOCCO INDIAN SCHOOL LANDS, CHILOCCO, OKLA.

The Clerk called the bill (H.R. 536) to provide that the United States shall hold certain Chilocco Indian School lands at Chilocco, Okla., in trust for the Cherokee Nation upon payment by the Cherokee Nation of $3.75 per acre to the Federal Government.

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

Mr. HALL. Mr. Speaker, reserving the right to object, may I inquire if this meets the procedure of the objectors insofar as the requisite number of days of filing is concerned?

Mr. Speaker, I notice that this bill was filed on the Consent Calendar on the 29th of May. Today being the 5th of June, I would inquire of the distinguished chairman of the committee of objectors, if this meets the filing requirements and the consideration thereof?

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

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

Mr. ASPINALL. Mr. Speaker, I have checked on this measure and the 3-day period does permit this to be considered at this time, as I understand it.

Mr. HALL. Mr. Speaker, I have no further question with reference to the bill per se, and inasmuch as it is eligible for consideration today, I withdraw my reservation of objection.

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

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

H.R. 536

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all the right, title, and interest of the United States in 2,667.94 acres, more or less, of the following described land, which has been determined to be surplus to the needs of the Chilocco Indian School, will be held by the United States in trust for the Cherokee Nation upon payment therefor at the rate of $3.75 per acre, the original cost of the land:

INDIAN MERIDIAN

TOWNSHIP 29 NORTH, RANGE 2 EAST

Section 13, lots 1, 2, 5, 6, and 7, southwest quarter northeast quarter, west half southeast quarter; and the parts of lot 3, southeast quarter northwest quarter, and east half southwest quarter lying east of the east right-of-way line of the Atchison, Topeka and Santa Fe Railroad, 339.53 acres.

Section 16, lots 3 and 4, south half northwest quarter, and southwest quarter, 313.85 acres.

Section 17, lots 1 and 2 (except that part described as "Beginning at a point 39 rods south of the northeast corner of the northeast quarter section 17; township 29 north, range 2 east, Indian meridian; thence 24 rods south, thence 33⅓ rods west, thence 24 rods north, thence 33⅓ rods east to point of beginning, containing 5 acres"), lots 5 to 7, inclusive, southeast quarter northeast quarter, and east half southeast quarter, 313.62 acres.

Section 20, lots 1 and 2 and east half northeast quarter (except that part described as "Beginning at a point 67 rods north of southeast corner of the northeast quarter section 20, township 29 north, range 2 east, Indian meridian, thence north 20 rods, thence west 50 rods, thence south 10 rods, thence east 20 rods, thence south 10 rods, thence east 30 rods to point of beginning, containing 5 acres"), lots 3 and 4, and east half southeast quarter, 316.36 acres.

Section 21, those parts of the northwest quarter and southwest quarter lying west of the west right-of-way line of the S.L. & S.F. Railroad, 150.26 acres.

Section 24, lots 1 to 4, inclusive, west half northeast quarter, west half southeast quarter, and those parts of the east half northwest quarter and southwest quarter lying east of the east right-of-way line of Atchison, Topeka, and Santa Fe Railroad, 398.39 acres.

Section 25, lots 1 to 7, inclusive, west half northeast quarter, northwest quarter southeast quarter, and those parts of the northwest quarter and north half southwest quarter lying east of the east right-of-way line of the Atchison, Topeka and Santa Fe Railroad, 583.25 acres.

Section 26, that part of lot 1 lying east of the east right-of-way line of the Atchison, Topeka and Santa Fe Railroad, 12.68 acres.

Section 29, north half southeast quarter and northeast quarter, 240.00 acres.

SEC. 2. All of the mineral interests of the United States in lots 1 and 2 (south half southeast quarter), section 29, township 29 north, range 2 east, Indian meridian, Oklahoma, comprising 77.84 acres more or less, are hereby declared to be held in trust by the United States for the Cherokee Nation. If title to the surface of any of this land should revert to the United States, the land shall become subject to the provisions of section 1 of this Act.

Mr. EDMONDSON. 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 Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, I deeply appreciate the favorable action of the House on this bill to permit the Cherokee Indians to reacquire lands surplus to the Chilocco Indian School in Oklahoma.

I am also deeply grateful to the members of the House Committee on Interior and Insular Affairs, and to that committee's able chairman, the Honorable WAYNE ASPINALL, and the able chairman of the Subcommittee on Indian Affairs, the Honorable JAMES HALEY.

The committee has recognized the equity and justice on which this bill is solidly based, and has twice reported this bill to the House.

I hope and trust we will be successful in securing favorable action in the other body, where this measure is strongly supported by Oklahoma's able Senators.

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 Consent Calendar.

LOANS TO CERTAIN OFFICERS OF MEMBER BANKS AND FEDERAL CREDIT UNIONS

Mr. PATMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9682) to amend section 22(g) of the Federal Reserve Act relating to loans to executive officers by member banks of the Federal Reserve System, and to amend the Federal Credit Union Act to modify the loan provisions relating to directors, members of the supervisory committee, and members of the credit committee of Federal credit unions, as amended.

The Clerk read as follows:

H.R. 9682

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

SECTION 1. Section 22(g) of the Federal Reserve Act (12 U.S.C. 375a) is amended to read:

"(g)(1) Except as authorized under this subsection, no member bank may extend credit in any manner to any of its own executive officers. No executive officer of any member bank may become indebted to that member bank except by means of an extension of credit which the bank is authorized to make under this subsection. Any extension of credit under this subsection shall be promptly reported to the board of directors of the bank, and may be made only if—

"(A) the bank would be authorized to make it to borrowers other than its officers;

"(B) it is on terms not more favorable than those afforded other borrowers;

"(C) the officer has submitted a detailed current financial statement; and

"(D) it is on condition that it shall become due and payable on demand of the bank at any time when the officer is indebted to any other bank or banks on account of extensions of credit of any one of the three categories respectively referred to in paragraphs (2), (3), and (4) in an aggregate amount greater than the amount of credit of the same category that could be extended to him by the bank of which he is an officer.

"(2) With the specific prior approval of its board of directors, a member bank may make a loan not exceeding $30,000 to any executive officer of the bank if, at the time the loan is made—

"(A) it is secured by a first lien on a dwelling which is expected, after the making of a loan, to be owned by the officer and used by him as his residence, and

"(B) no other loan by the bank to the officer under authority of this paragraph is outstanding.

"(3) A member bank may make extensions of credit to any executive officer of the bank, not exceeding the aggregate amount of $10,000 outstanding at any one time, to finance the education of the children of the officer.

"(4) A member bank may make extensions of credit not otherwise specifically authorized under this subsection to any executive officer of the bank, not exceeding the aggregate amount of $5,000 outstanding at any one time.

"(5) Except to the extent permitted under paragraph (4), a member bank may not extend credit to a partnership in which one or more of its executive officers are partners having either individually or together a majority interest. For the purposes of paragraph (4), the full amount of any credit so extended shall be considered to have been extended to each officer of the bank who is a member of the partnership.

"(6) Whenever an executive officer of a member bank becomes indebted to any bank or banks (other than the one of which he is an officer) on account of extensions of credit of any one of the three categories respectively referred to in paragraphs (2), (3), and (4) in an aggregate amount greater than the aggregate amount of credit of the same category that could lawfully be extended to him by the bank, he shall make a written report to the board of directors of the bank, stating the date and amount of each such extension of credit, the security therefor, and the purposes for which the proceeds have been or are to be used.

"(7) This subsection does not prohibit any executive officer of a member bank from endorsing or guaranteeing for the protection of the bank any loan or other asset previously acquired by the bank in good faith or from incurring any indebtedness to the bank for the purpose of protecting the bank against loss or giving financial assistance to it.

"(8) Each day that any extension of credit in violation of this subsection exists is a continuation of the violation for the purposes of section 8 of the Federal Deposit Insurance Act.

"(9) Each member bank shall include with (but not as part of) each report of condition and copy thereof filed under section 7(a)(3) of the Federal Deposit Insurance Act a report of all loans under authority of this subsection made by the bank since its previous report of condition.

"(10) The Board of Governors of the Federal Reserve System may prescribe such rules and regulations, including definitions of

terms, as it deems necessary to effectuate the purposes and to prevent evasions of this subsection."

SEC. 2. Section 8 of the Federal Credit Union Act (12 U.S.C. 1757) is amended—

(1) by changing, in paragraph (5) thereof, "shall exceed the amount of his holdings in the Federal Credit Union as represented by shares thereof plus the total unencumbered and unpledged shareholdings in the Federal Credit Union of any member pledged as security for the obligation of such director or committee member" to read "may be made except as authorized under paragraph (6) of this section";

(2) by redesignating paragraphs (6) through (13) of that section as paragraphs (7) through (14), respectively; and

(3) by inserting, immediately after paragraph (5), the following new paragraph:

"(6) to make loans to its own directors and to members of its own supervisory or credit committee, but all such loans shall be reported to the Director at least annually, and such a loan may be made only if—

"(A) the loan complies with all lawful requirements under this Act with respect to loans to other borrowers and is not on terms more favorable than those extended to other borrowers;

"(B) upon the making of the loan, the aggregate amount of loans outstanding to the borrower will not exceed the total amount of shareholdings in the credit union, not otherwise encumbered or pledged, which are pledged as security for loans to the borrower, or $5,000, whichever is greater;

"(C) upon the making of the loan, the aggregate amount of loans outstanding under authority of this paragraph will not exceed 20 per centum of the unimpaired capital and surplus of the credit union;

"(D) the loan is approved by the credit committee and by the board of directors after the submission to them of a detailed current financial statement by the borrower; and

"(E) the borrower takes no part in the consideration of his application and does not attend any committee or board meeting while his application is under consideration;".

SEC. 3. Paragraph (D) of section 8(8) of the Federal Credit Union Act is amended to read: "(D) in shares or accounts of savings and loan associations or mutual savings banks, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation or the Federal Deposit Insurance Corporation;"

The SPEAKER pro tempore (Mr. ALBERT). Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas [Mr. PATMAN] will be recognized for 20 minutes, and the gentleman from Iowa [Mr. GROSS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, H.R. 9682 is noncontroversial legislation that would correct a deficiency in the financial laws of our country.

Although this deficiency does not on the surface appear to be of major significance, it nevertheless is highly important to those individuals who have been unable to obtain loans from financial institutions simply because they are employed by those financial institutions.

H.R. 9682 would, first, allow executive officers of member banks of the Federal Reserve System to borrow from the banks at which they are employed in amounts up to $5,000. In addition, it would authorize loans to these officers in an amount up to $10,000 to finance the education of such officers' children. A first mortgage loan on an officer's home could also be obtained in an amount not greater than $30,000. All of these loans could only be made on terms not more favorable than those extended to other borrowers and would, of course, be subject to all other banking laws.

This legislation would also allow directors, and members of the supervisory or credit committee of Federal credit unions to obtain loans up to $5,000, or in amounts equal to the unencumbered shares pledged for such loans, whichever is greater.

Under existing law, which was enacted in 1933, officers of Federal Reserve member banks are limited to loans from their own banks in a maximum amount of $2,500, regardless of the reason for the loan.

The President's Committee on Financial Institutions in 1963 recommended that the ceiling be increased. Although the increases appear to be substantial, it was felt that the length of time that had expired since the $2,500 ceiling was placed in the act and the numerous safeguards contained in H.R. 9682 were such that increases were clearly justified.

Under existing law directors of Federal credit unions and members of the credit and supervisory committees can obtain loans from their credit unions only in the amount of shares which they have in their credit union, or shares pledged on their behalf for a loan. Thus, a credit union officer with $500 in shares could borrow only $500 from his credit union, unless another member were willing to pledge shares on the officer's behalf. This has worked an extreme hardship on credit union officers, who, it must be remembered are all volunteers, serving without any compensation whatsoever. In a number of cases, credit union officers have had to resign because they needed loans in amounts greater than their share holdings.

This legislation does not in any way change the unsecured loan limit of Federal credit unions, which remains at $750.

There are a vast number of safeguards in H.R. 9682 to make certain that individuals covered under the legislation do not gain advantages solely because of the positions they hold.

Detailed financial statements must be submitted by the borrowers and periodical reports must be made of all loans to the respective supervisory agency. Bank-officer borrowers must report to their bank any loans which they receive from other banks which are in amounts greater than they could receive from their own bank.

Only 20 percent of the Federal credit union's unimpaired capital and surplus will be available for borrowing by directors and members of the credit and supervisory committee.

There has been sent to the Clerk's desk a committee amendment, which was adopted unanimously, to H.R. 9682 after the report on the legislation had been written. It is an amendment that simply clarifies an oversight in previous legislation, making it clear that credit unions may make deposits in any mutual savings bank, if the bank is insured by an agency of the Federal Government. Under present law credit unions may make deposits only in mutual savings banks in the State where the credit union does business. At the appropriate time the amendment will be offered.

Supervision for this legislation is placed in the Federal Reserve Board and the Bureau of Federal Credit Unions. The Bureau of Federal Credit Unions advises that there will be no additional cost in handling the supervision of this legislation, and the Federal Reserve Board concludes that the expenses of administering the bill would be negligible. I ask unanimous consent that letters from these two agencies on this subject be placed in the RECORD at this point.

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

There was no objection.

The material referred to follows:

BUREAU OF FEDERAL CREDIT UNIONS,
Washington, D.C., May 24, 1967.

HON. WRIGHT PATMAN,
Chairman, Committee on Banking and Currency, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: H.R. 9682 as reported by your committee would amend section 22(g) of the Federal Reserve Act relating to loans to executive officers by member banks of the Federal Reserve System, and amend the Federal Credit Union Act to modify the loan provisions relating to directors, members of the supervisory committee, and members of the credit committee of Federal credit unions.

With respect to Federal credit unions the changes enacted in Section 2 would allow a Federal credit union to make loans to its own directors and to members of its own supervisory or credit committee, and would require all such loans to be reported to the Director at least annually. Such loans may be made only if—

(A) The loan complies with all lawful requirements under this Act with respect to loans to other borrowers and is not on terms more favorable than those extended to other borrowers;

(B) Upon the making of the loan, the aggregate amount of loans outstanding to the borrower will not exceed the total amount of shareholdings in the credit union, not otherwise encumbered or pledged, which are pledged as security for loans to the borrower, or $5,000, whichever is greater;

(C) Upon the making of the loan, the aggregate amount of loans outstanding under authority of this paragraph will not exceed 20 per centum of the unimpaired capital and surplus of the credit union;

(D) The loan is approved by the credit committee and by the board of directors after the submission to them of a detailed current financial statement by the borrower; and

(E) The borrower takes no part in the consideration of his application and does not attend any committee or board meeting while his application is under consideration.

Enactment of this bill as it relates to Federal credit unions would result in no additional expenditure at all by the Federal Government.

The Bureau of the Budget advises that it interposes no objection to the presentation of this statement from the standpoint of the Administration's program.

Sincerely yours,

J. DEANE GANNON,
Director.

BOARD OF GOVERNORS,
OF THE FEDERAL RESERVE SYSTEM,
Washington, D.C., June 1, 1967.

Hon. WRIGHT PATMAN,
Chairman, Committee on Banking and Currency, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: You have asked for the Board's views as to whether enactment of H.R. 9682 as reported by your Committee would result in additional administrative expenses. The first section of the bill would revise provisions of existing law governing the conditions under which banks that are members of the Federal Reserve System may make loans to their executive officers. The only provision in this section that could have any appreciable impact on administrative expenses, in our judgment, is paragraph (9) on page 4, which requires each member bank to file a report of all such loans with the appropriate Federal supervisory agency. The committee report on the bill states that the Board of Governors is to include in its annual report to the Congress an analysis of these reports received from member banks, including the number of loans, total amount, and the interest rate charged on the loans.

The committee report also states that the Board will be expected to review these reports to make certain that the loans involved are on terms not more favorable than those granted to other borrowers. We do not see how this could be done without requiring reports so elaborate that the expense of preparing and analyzing the reports would be prohibitive. We believe that the effective and economical way to enforce the prohibition against a bank's making more favorable loans to its own officers is through the examination process, rather than through reports to be filed with the Board.

On the basis of conversations in which the Board's staff has explored these questions with your committee's staff, we now understand that the reporting requirements will be satisfied if each member bank simply reports the total number and total amount of loans it makes under the legislation and the range of interest rates involved, and the Board reports to the Congress the total number and total amount of loans made by all member banks under the legislation and the range of interest rates involved in the total. We assume that that is your intent and we accordingly advise that expenses of administering the bill would be negligible.

Our comments are limiting to the first section of the bill because section 2, relating to Federal credit unions, is outside the area of the Board's responsibility.

Sincerely,

J. L. ROBERTSON.

Mr. PATMAN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. ALBERT). The gentleman from Texas has consumed 6 minutes.

Mr. GROSS. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. JOHNSON].

Mr. JOHNSON of Pennsylvania. Mr. Speaker, I rise as a member of this esteemed Committee on Banking and Currency.

We gave this bill tremendously great consideration and I want to say on behalf of the minority that we have supported this bill and we support it here today on the floor of the House.

Mr. GROSS. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. Mr. Speaker, I would like to direct a question to the distinguished chairman of the Committee on Banking and Currency, the gentleman from Texas [Mr. PATMAN].

Is it not correct that this bill was passed unanimously by the Committee on Banking and Currency and that it has already been passed by the other body by a unanimous vote?

Mr. PATMAN. The gentleman is correct.

Mr. WYLIE. I thank the gentleman.

Mr. GROSS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Texas that the House suspend the rules and pass the bill, H.R. 9682, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 714) to amend section 22(g) of the Federal Reserve Act relating to loans to executive officers by member banks of the Federal Reserve System, and to amend the Federal Credit Union Act to modify the loan provisions relating to directors, members of the supervisory committee, and members of the credit committee of the Federal credit unions.

The Clerk read the title of the bill.

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

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

S. 714

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (g) of section 22 of the Federal Reserve Act (12 U.S.C. 375a) is amended by striking out the first two sentences thereof and inserting in lieu thereof the following:

"(g) No executive officer of any member bank shall borrow from or otherwise become indebted to any member bank of which he is an executive officer, and no member bank shall make any loan or extend credit in any other manner to any of its own executive officers: *Provided,* That any member bank may extend credit otherwise authorized under applicable law or regulations, on terms not more favorable than those extended to other borrowers, to any executive officer thereof, and such officer may become indebted thereto, in an amount not exceeding $5,000, and in the case of credit extended to finance the education of such officer's children, in an amount not exceeding $10,000, and, in the case of a first mortgage loan on a home owned and occupied or to be owned and occupied by such officer, in an amount not exceeding $30,000, but any such indebtedness shall be promptly reported by such officer to the board of directors of the bank of which he is an officer. If any executive officer of any member bank borrows from or if he be or become indebted to any other bank or banks in an aggregate amount exceeding that which he could lawfully borrow from the member bank of which he is an executive officer under this section, he shall make a written report to the board of directors of such member bank, stating the date and amount of such loan or loans or indebtedness, the security therefor, and the purpose for which the proceeds have been or are to be used."

SEC. 2. Subsection (5) of section 8 of the Federal Credit Union Act (12 U.S.C. 1757) is amended by striking out the following: "except that no loans to a director or member of the supervisory or credit committee shall exceed the amount of his holdings in the Federal credit union as represented by shares thereof plus the total unencumbered and unpledged shareholdings in the Federal credit union of any member pledged as security for the obligation of such director or committee member." and inserting in lieu thereof the following: "except that loans otherwise authorized under applicable law and regulations made to a director or a member of the supervisory or credit committee shall not exceed $5,000, and any such loans shall be approved by the credit committee and by the board of directors. The member of the board of directors, supervisory committee, or credit committee applying for such loan shall not take part in the consideration of his application and shall not attend any committee or board meeting while such application is under consideration."

AMENDMENT OFFERED BY MR. PATMAN

Mr. PATMAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Strike out all after the enacting clause of S. 714 and insert in lieu thereof the provisions of the bill, H.R. 9682, as passed, as follows:

"SECTION 1. Section 22(g) of the Federal Reserve Act (12 U.S.C. 375a) is amended to read:

"'(g)(1) Except as authorized under this subsection, no member bank may extend credit in any manner to any of its own executive officers. No executive officer of any member bank may become indebted to that member bank except by means of an extension of credit which the bank is authorized to make under this subsection. Any extension of credit under this subsection shall be promptly reported to the board of directors of the bank, and may be made only if—

"'(A) the bank would be authorized to make it to borrowers other than its officers;

"'(B) it is on terms not more favorable than those afforded other borrowers;

"'(C) the officer has submitted a detailed current financial statement; and

"'(D) it is on condition that it shall become due and payable on demand of the bank at any time when the officer is indebted to any other bank or banks on account of extensions of credit of any one of the three categories respectively referred to in paragraphs (2), (3), and (4) in an aggregate amount greater than the amount of credit of the same category that could be extended to him by the bank of which he is an officer.

"'(2) With the specific prior approval of its board of directors, a member bank may make a loan not exceeding $30,000 to any executive officer of the bank if, at the time the loan is made—

"'(A) it is secured by a first lien on a dwelling which is expected, after the making of the loan, to be owned by the officer and used by him as his residence, and

"'(B) no other loan by the bank to the officer under authority of this paragraph is outstanding.

"'(3) A member bank may make extensions of credit to any executive officer of the bank, not exceeding the aggregate amount of $10,000 outstanding at any one time, to finance the education of the children of the officer.

"'(4) A member bank may make extensions of credit not otherwise specifically authorized under this subsection to any executive officer of the bank, not exceeding the aggregate amount of $5,000 outstanding at any one time.

"'(5) Except to the extent permitted under paragraph (4), a member bank may not extend credit to a partnership in which one or more of its executive officers are partners having either individually or together a majority interest. For the purposes of paragraph (4), the full amount of any credit so extended shall be considered to have

been extended to each officer of the bank who is a member of the partnership.

"'(6) Whenever an executive officer of a member bank becomes indebted to any bank or banks (other than the one of which he is an officer) on account of extensions of credit of any one of the three categories respectively referred to in paragraphs (2), (3), and (4) in an aggregate amount greater than the aggregate amount of credit of the same category that could lawfully be extended to him by the bank, he shall make a written report to the board of directors of the bank, stating the date and amount of each such extension of credit, the security therefor, and the purposes for which the proceeds have been or are to be used.

"'(7) This subsection does not prohibit any executive officer of a member bank from endorsing or guaranteeing for the protection of the bank any loan or other asset previously acquired by the bank in good faith or from incurring any indebtedness to the bank for the purpose of protecting the bank against loss or giving financial assistance to it.

"'(8) Each day that any extension of credit in violation of this subsection exists is a continuation of the violation for the purposes of section 8 of the Federal Deposit Insurance Act.

"'(9) Each member bank shall include with (but not as part of) each report of condition and copy thereof filed under section 7(a)(3) of the Federal Deposit Insurance Act as a report of all loans under authority of this subsection made by the bank since its previous report of condition.

"'(10) The Board of Governors of the Federal Reserve System may prescribe such rules and regulations, including definitions of terms, as it deems necessary to effectuate the purposes and to prevent evasions of this subsection.'

"SEC. 2. Section 8 of the Federal Credit Union Act (12 U.S.C. 1757) is amended—

"(1) by changing, in paragraph (5) thereof, 'shall exceed the amount of his holdings in the Federal Credit Union as represented by shares thereof plus the total unencumbered and unpledged shareholdings in the Federal Credit Union of any member pledged as security for the obligation of such director or committee member' to read 'may be made except as authorized under paragraph (6) of this section';

"(2) by redesignating paragraphs (6) through (13) of that section as paragraphs (7) through (14), respectively; and

"(3) by inserting, immediately after paragraph (5), the following new paragraph:

"'(6) to make loans to its own directors and to members of its own supervisory or credit committee, but all such loans shall be reported to the Director at least annually, and such a loan may be made only if—

"'(A) the loan complies with all lawful requirements under this Act with respect to loans to other borrowers and is not on terms more favorable than those extended to other borrowers;

"'(B) upon the making of loan, the aggregate amount of loans outstanding to the borrower will not exceed the total amount of shareholdings in the credit union, not otherwise encumbered or pledged, which are pledged as security for loans to the borrower, or $5,000, whichever is greater;

"'(C) upon the making of the loan, the aggregate amount of loans outstanding under authority of this paragraph will not exceed 20 per centum of the unimpaired capital and surplus of the credit union;

"'(D) the loan is approved by the credit committee and by the board of directors after the submission to them of a detailed current financial statement by the borrower; and

"'(E) the borrower takes no part in the consideration of his application and does not attend any committee or board meeting while his application is under consideration;'.

"SEC. 3. Paragraph (D) of section 8(8) of the Federal Credit Union Act is amended to read: '(D) in shares or amounts of savings and loan associations or mutual savings banks, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation or the Federal Deposit Insurance Corporation;' ".

The amendment was agreed to.

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

A similar House bill (H.R. 9682) was laid on the table.

MAILING PRIVILEGES FOR U.S. ARMED FORCES

Mr. DULSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10226) to amend title 39, United States Code, to provide additional free letter mail and air transportation mailing privileges for certain members of the U.S. Armed Forces, and for other purposes.

The Clerk read as follows:

H.R. 10226

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subparagraphs (A) and (B) of section 4169(a)(1) of title 39, United States Code, are amended to read as follows:

"(A) the letter or sound-recorded communication is mailed by the member at an Armed Forces post office established under section 705(d) of this title which is located at a place outside the forty-eight contiguous States of the United States; or

"(B) the member is hospitalized in a facility under the jurisdiction of the Armed Forces of the United States as a result of disease or injury incurred while on active duty; or".

(b) Subparagraph (D) of paragraph (2) of section 4169(a) of title 39, United States Code, is amended to read as follows:

"(D) the letter or sound-recorded communication is mailed by the member—

"(i) at an Armed Forces post office established under section 705(d) of this title which is located at a place outside the forty-eight contiguous States of the United States; or

"(ii) while hospitalized in a facility under the jurisdiction of the Armed Forces of the United States as a result of disease or injury incurred while in the services with, or in, a unit under operational control of a command of the Armed Forces of the United States; and".

SEC. 2. Chapter 67 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 4560. Air transportation of parcels mailed at or adressed to Armed Forces post offices

"Any parcel, other than a parcel mailed airmail or as air parcel post, not exceeding thirty pounds in weight and sixty inches in length and girth combined which is mailed at or addressed to any Armed Forces post office established under section 750(d) of this title shall be transported by air on a space-available basis, on scheduled United States air carriers at rates fixed and determined by the Civil Aeronautics Board in accordance with section 406 of the Federal Aviation Act of 1958 (49 U.S.C. 1376), upon payment, in addition to the regular surface rate of postage, of a special fee to be prescribed by the Postmaster General for such transportation by air. Whenever adequate service by schedule United States air carriers is not available to provide transportation of mail matter by air in accordance with the foregoing provisions of this section, the transportation of such mail matter may be authorized by aircraft other than scheduled United States air carriers.".

(b) The table of contents of such chapter 67 is amended by inserting at the end thereof—

"4560. Air transportation of parcels mailed at or addressed to Armed Forces post offices.".

SEC. 3. Section 4303(d)(5) of title 39, United States Code, is amended by striking out subparagraphs (A), (B), and (C) and inserting in lieu thereof the following:

"(A)(i) first-class letter mail (including postal cards and post cards),

"(ii) sound-recorded communications having the character of personal correspondence,

"(iii) parcels of any class of mail not exceeding five pounds in weight and sixty inches in length and girth combined, and

"(iv) second-class publications published once each week or more frequently and featuring principally current news of interest to members of the Armed Forces and the general public,

which are mailed at or addressed to any such Armed Forces post office; and

"(B) parcels of any class of mail exceeding five pounds but not exceeding seventy pounds in weight and not exceeding one hundred inches in length and girth combined, including surface-type official mail, which are mailed at or addressed to any such Armed Forces post office where adequate surface transportation is not available.".

SEC. 4. (a) Chapter 57 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 4170. Mailing privilege of members of United States Armed Forces and of friendly foreign nations in the Canal Zone

"(a) For the purposes of sections 4169(a), 4303(d)(5), and 4560 of this title, each post office in the Canal Zone postal service, to the extent that it provides mail service for members of the United States Armed Forces and of friendly foreign nations, shall be considered to be an Armed Forces post office established under section 705(d) of this title.

"(b) The Department of Defense shall reimburse the postal service of the Canal Zone, out of any appropriations or funds available to the Department of Defense, as a necessary expense of the appropriations or funds and of the activities concerned, the equivalent amount of postage due, and sums equal to the expenses incurred by, the postal service of the Canal Zone, as determined by the Governor of the Canal Zone, for matter sent in the mails, and in providing air transportation of mail, under such sections.".

(b) The table of contents of chapter 57 of title 39, United States Code, is amended by adding—

"4170. Mailing privilege of members of United States Armed Forces and of friendly foreign nations in the Canal Zone."

immediately below—

"4169. Mailing privilege of members of United States Armed Forces and of friendly foreign nations.".

(c) Section 4303(f) of title 39, United States Code, is amended by striking out "the Virgin Islands or the Canal Zone" wherever appearing therein and inserting in lieu thereof "or the Virgin Islands".

The SPEAKER pro tempore. Is a second demanded?

Mr. CORBETT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. DULSKI. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I sponsored H.R. 10226 to round out our efforts to give servicemen the benefit of fast, efficient, and less expensive mail service.

This bill had the bipartisan support of the members of our committee, and is cosponsored by 25 of our committee members.

First. H.R. 10226 will extend free mailing privileges on letters, cards, and sound-recorded personal communications to all members of the Armed Forces overseas, and to all members hospitalized as a result of disease or injury incurred while on active duty.

Under Public Law 89–315 only servicemen in combat areas as designated by the President, and those who are hospitalized as a result of disease or injury incurred as a result of service in a overseas combat area, qualify for the free mailing privilege.

Second. This legislation will establish a new category of airlift mail for a member of the Armed Forces between the point of mailing and the point of delivery for parcels not in excess of 30 pounds of weight and 60 inches in length and girth combined, mailed at or addressed to any Armed Forces post office.

The parcels would be transported by air on a space-available basis upon payment of the regular surface rate of postage plus a special uniform airlift fee to be fixed by the Postmaster General. It is anticipated that this fee will be in the neighborhood of $1 per package, regardless of the weight of the package or the distance to be mailed.

This provision provides a solution to the undesirable requirement for the payment of relatively high rates of postage charged for priority air parcel post. To illustrate, it costs $8.08 to mail a 10-pound package in my district in Buffalo, N.Y., to Vietnam by preferred air parcel post service. This legislation would permit the same 10-pound package to be mailed for approximately $3.40.

Mr. Speaker, I will include, at the end of my comments, a table showing examples of the high air parcel post fees now required on a 10-pound package mailed to an APO San Francisco and an APO New York address, as compared with the rates that will be authorized under this legislation.

Third. This legislation will extend the airlift for second class news publications to all members of the Armed Forces overseas.

Last year's military mail law, Public Law 89–725, provided, among other things, an airlift from the United States to designated combat areas for news value publications, particularly news magazines and hometown newspapers. This legislation will extend this privilege to all members of the Armed Forces overseas.

Fourth. This legislation will clarify the application of the Armed Forces mailing privileges for servicemen stationed in the Canal Zone. The Canal Zone currently does not have any Armed Forces post offices, but operates an independent postal service under the jurisdiction of the Canal Zone government. This legislation will remove any doubt as to the intention of the Congress to extend the special mailing privileges to members of the Armed Forces stationed in the Canal Zone.

Mr. Speaker, this bill is the third legislative proposal from the House Post Office and Civil Service Committee designed to improve mail service for members of the Armed Forces overseas. I will include in the RECORD a comparative analysis of the provisions of the existing laws—Public Law 89–315 approved November 1, 1965, Public Law 89–725 approved November 2, 1966, and under the new bill, H.R. 10226.

This bill addresses itself to several problem areas that were not covered in the earlier two enactments. All of these problems areas, which are the subjects of these three pieces of legislation, are highlighted in the recommendations made in three reports of the House Post Office and Civil Service Committee of on-site studies and investigations, which I and other members of our committee have made in Europe and in the Far East. Each time we have considered legislation involving mailing privileges for military personnel, we realized that it would be a considerable time before we were able to present a complete and well-rounded program.

For example, we found during our deliberations last year that it was impracticable to include provisions in last year's law for the domestic airlift such as will be provided in section 2 of H.R. 10226.

Immediately following completion of last year's legislation our ranking minority member, Mr. CORBETT, and several other members of our committee, joined with me in sponsoring identical bills containing provisions now contained in section 2 of H.R. 10226. We were not able to consider those bills during the 89th Congress.

Early this year, during the 90th Congress, identical bills were introduced and early consideration was scheduled. We had 16 bills pending before our committee on this subject and, as I have indicated, 25 of our committee members cosponsored H.R. 10226, which is pending before the House today.

Mr. Speaker, this legislation does not have the blessing of the administration, which reported to our committee that action on the bill should be delayed on the basis that the special mailing privileges are a form of personnel benefits and as such any adjustments in these privileges should be considered in the context of the results of the comprehensive review of pay allowances and fringe benefits now underway.

Our committee gave extensive consideration to the position of the administration, but we felt that there is no justification to delay consideration solely on such a basis. It is estimated that the cost of this proposal will be approximately $6½ million annually.

As chairman of our committee, I am convinced that this is a small price for us to pay in order to provide fast, efficient mail service at reasonable rates of postage for our servicemen.

Our first bill in 1965 passed the House under unanimous-consent procedure. In 1966 the bill passed on a record vote of 303 to 0.

Mr. Speaker, I urge the Members here today to approve H.R. 10226 by a unanimous vote, as we have approved similar legislation during each of the past 2 years.

Mr. Speaker, I would like to take this opportunity to express my sincere appreciation to the Honorable ARNOLD OLSEN of Montana, chairman of the Subcommittee on Postal Rates, and to each member of his subcommittee, who have pursued this matter so diligently in holding extensive hearings on this legislation, and in reporting the bill to the full committee for our consideration. Mr. OLSEN, who is unavoidably absent from the House today, asked that I tell you today that this legislation has his 100-percent support.

Examples of postal rates for 10-pound parcel mailed to servicemen at APO

Origin	Air parcel post		Airlift under sec. 2, H.R. 10226 (surface rates plus $1 fee [1])	
	San Francisco	New York	San Francisco	New York
New Orleans	$8.08	$6.59	$3.40	$2.75
Buffalo	8.08	5.00	3.40	1.95
Pittsburgh	8.08	5.23	3.40	2.20
Oklahoma City	6.59	6.59	2.75	2.75
Topeka	7.31	6.59	3.10	2.75
Dallas	7.31	6.59	3.10	2.75
Cheyenne	5.82	7.31	2.50	3.10

[1] Estimated, actual fee to be fixed by the Postmaster General.

Mailing privileges for U.S. Armed Forces, 89th and 90th Congresses

FREE MAIL

Morrison bill (Public Law 89–315, Nov. 1, 1965)	Dulski bill (Public Law 89–725, Nov. 2, 1966)	Dulski bill (H.R. 10226, 1967)
Letters mailed from combat areas	Letters and sound recorded communications from combat areas.	Letters and sound recorded communications from all servicemen overseas.

AIRLIFT (SPACE AVAILABLE BASIS)

Letters carried as airmail from combat area to address in United States.	For all servicemen overseas between APO and point of embarkation, upon payment of surface rates for— 1. Letters. 2. Sound recordings. 2. Parcels up to 5 lbs.	Adds new category for parcels up to 30 lbs. mailed to or from any APO, including airlift within United States upon payment of surface rates plus airlift fee to be fixed by the Postmaster General.

AIRLIFT OF NEWSPAPERS AND NEWS PUBLICATIONS

No provision	Airlift to combat area	Airlift extended to all overseas APO's.

Mr. BROOMFIELD. Mr. Speaker, I commend the chairman of the Post Office Subcommittee for his work on this particular bill.

Mr. CORBETT. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. JOHNSON] who is the ranking minority member of the subcommittee handling this legislation.

Mr. JOHNSON of Pennsylvania. Mr. Speaker, I am very pleased, not only to be a cosponsor of this bill, but also, as the ranking minority member of the Subcommittee on Postal Rates, to have taken part in the extensive deliberations that are being culminated here today.

As our chairman indicated to you, this is the third proposal in as many years that our committee has brought to the House floor designed to give military personnel, particularly those overseas, the best possible mail service. In this bill we now round out our efforts, and upon its enactment the Congress can be proud of the full program that will be operating to provide fast and efficient communications between servicemen and their families and friends.

Quite simply, Mr. Speaker, what we are doing is moving the postal service for our Armed Forces overseas into the 20th century. We are, in effect, saying to our servicemen that when we separate them from their homes, families, and friends by great distances in defense of their country, we will give them the means of communicating with their homes swiftly, efficiently, and less expensively. We are saying to servicemen overseas that we are trying to give them mail service as good as we are providing for all the rest of the people back home. We are also telling the mothers, wives and sweethearts back home that they will no longer have to pay exorbitant sums of money to get fast delivery of a package to their servicemen.

The specific provisions of this bill have already been detailed by the gentleman from New York, so I will only comment briefly.

The privilege of sending letters free that is being extended to all servicemen overseas certainly is not going to save any one serviceman an appreciable amount of money. This is really not its intent. The free mailing privilege is more a convenience than anything else. I think all Members who served during World War II, when the free mailing privilege was enjoyed by servicemen everywhere, will agree that being able to send a letter home without a stamp did not save much money but certainly did eliminate the worry about always having stamps available. As our report on this bill states, we are establishing the principle that the free mail privilege is being given to a serviceman in recognition of the fact that he has been separated from his home in an overseas area—great distances from home. The fact that he may or may not be in combat is incidental to this principle.

Section 2 of the bill is most important and, in my opinion, its enactment is long overdue. It affords the family of a serviceman the means of sending him a parcel weighing up to 30 pounds by air at a reasonable postage charge. Air parcel post charges are so high that the average family is financially inconvenienced when airmailing a parcel of any appreciable weight, and most often postage charges exceed the value of the parcel's contents. It costs $12.08 postage to airmail a 15-pound parcel from anywhere in Eastern United States to a serviceman in Vietnam. The alternative to paying $12.08 is sending it by surface, knowing that it can take up to 2 months for delivery. The new category of airlift mail established in section 2 takes advantage of space on our Nation's airlines that is not now used. By paying airlines lower rates for this space as it becomes available, we are able to transport parcels by air at much cheaper postage rates. For example, that same 15-pound parcel that costs $12.08 when airmailed from Washington, D.C., to Vietnam would only cost $4.30 under the airlift provided for in section 2.

Mr. Speaker, the cost in this bill of giving our servicemen the best possible mail service does not nearly approach the cost of one space shot or one jet bomber.

I suggest we pass this bill promptly and unanimously.

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

Mr. JOHNSON of Pennsylvania. I yield to the gentleman from Iowa.

Mr. GROSS. I wish to commend the gentleman for his statement and to say I join with him in support of this measure.

Mr. JOHNSON of Pennsylvania. I thank the gentleman.

Mr. DULSKI. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. DANIELS].

Mr. DANIELS. Mr. Speaker, I join in supporting our chairman, the gentleman from New York [Mr. DULSKI], and urge favorable consideration of H.R. 10226.

I, too, cosponsored this bill, and previously had joined with our chairman in introducing a similar bill late during the 89th Congress, and introduced H.R. 4707 early in this session of the 90th Congress.

The bill, as finally revised by our committee and pending before us for consideration here today, has the major feature of authorizing parcels mailed to or from an APO address, to be transported by air at an economical rate of postage.

The greatest volume of correspondence received by the members of our committee has been addressed to the problem of affording an economical and speedy means of mailing packages which are sent from or to an APO address. My constituency consistently has raised objection to the necessity of paying the higher parcel post rates on the packages in order to obtain transportation by air across the United States.

This legislation will require airlift for parcels weighing up to 30 pounds when mailed by a member of the family, or a friend, in the United States to a serviceman who has an Armed Forces post office address. The parcel will be mailed upon payment of the regular surface rate of postage, plus an airlift fee to be fixed by the Postmaster General, which is expected to be not more than $1.

Our Committee on Post Office and Civil Service was instrumental in obtaining legislation in 1965—(Public Law 89–315)—authorizing airlift for parcels up to 5 pounds when mailed between Vietnam and San Francisco or Seattle, and legislation in 1966—Public Law 89–725—extending the airlift for parcels not in excess of 5 pounds, mailed between any APO office overseas and the point of embarkation in the United States.

However, there still is no legislative authority for airlifting the parcels across the United States unless the mailer pays the premium air parcel post rates.

Mr. Speaker, I believe H. R. 10226, which I was happy to cosponsor, will close the airlift gap for APO parcel mailings by providing an economical means of obtaining airlift from the point of mailing to the point of delivery on a worldwide basis.

I will be most happy to report to the constituents in my district in New Jersey when this legislation is finally approved, that they no longer will be required to pay over $8 to mail a 10-pound package having a $2 value to Vietnam by preferred airmail service. Under this legislation, the same 10-pound package can be mailed for approximately $3.40, depending on the amount of the airlift fee to be fixed by the Postmaster General.

Mr. Speaker, as our chairman has pointed out, I am convinced that this is the major feature of this legislation. However, I believe that the extension of the free mail privilege to all servicemen overseas is just as much of a morale building factor for the servicemen as is the additional airlift provision.

Mr. Speaker, I am confident that H.R. 10226 will receive favorable consideration by the House here today, and I urge all Members to support our proposal to improve mail service for our servicemen.

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

Mr. DANIELS. I will be happy to yield to the gentleman.

Mr. CAHILL. Mr. Speaker, I would like to commend my colleague from New Jersey for the work he has done on this legislation and for his outstanding service on this committee. I would also like to pay tribute to the gentleman from Pennsylvania [Mr. CORBETT], the ranking minority member of the committee, and say that I support the legislation.

Mr. CORBETT. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois [Mr. DERWINSKI].

Mr. DERWINSKI. Mr. Speaker, I commend the chairman of our full committee [Mr. DULSKI], and the ranking member of the committee [Mr. CORBETT], for their great leadership in developing this legislation.

Mr. Speaker, I rise in support of the legislation being considered by the House today.

The purpose of this legislation is to provide fast, efficient, and inexpensive mail service to all servicemen stationed in an overseas area. The provisions of this bill resulted from onsite studies conducted by members of the House Post Office and Civil Service Committee. The reports of these investigations, House Report 1226, "Postal System of U.S. Armed

Forces and Certain Countries in Europe," and House Report 2198, "Postal Systems of U.S. Armed Forces—Vietnam and Thailand," set forth the recommendations of the members, and I would urge my colleagues to give careful attention to these recommendations.

The legislation before us today is designed to enact into law certain of the recommendations of those reports.

The Members, by acting favorably on H.R. 10226, will give recognition to the hardships a young man suffers by serving his country in a distant land. The great distances separating American troops from their families is certainly hardship enough, without the addition of slow and costly mail service.

Mr. Speaker, I am certain my colleagues share my concern for the morale of our troops overseas. This bill will provide a great boost to the morale of those troops, and I have no doubt this will far outweigh the relatively minor cost of implementing the provisions of this bill.

The Congress has a responsibility to provide all American servicemen with whatever is necessary, and this duty does not cease with the necessities of life, nor with the weapons of war. It extends to providing mail service as rapidly as our facilities will permit.

I believe the Congress has done a commendable job in enacting Public Law 89–315 and Public Law 89–725, but the task is not yet complete. The Members can be justly proud of their accomplishments in the 89th Congress, in providing better and faster mail service to American troops.

The bill before us today will expand and improve communications between our servicemen and their families in this country. These improvements are warranted, and even necessary.

Mr. Speaker, I urge my colleagues to approve the legislation before them today.

Mr. CORBETT. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. McDADE].

Mr. McDADE. Mr. Speaker, the Congress today is taking a splendid and forward-looking action in its consideration of H.R. 10226. The major portion of this bill is identical with my own bill, H.R. 7635. It is good legislation. It is legislation which has been needed for some time.

For the past several years, principally since our involvement in the conflict in Vietnam, the inadequacies of our mail service for the Armed Forces have become painfully evident. Like many of my colleagues, I had this called to my attention, and I have had a constant stream of communications with the Postmaster General, in the hope that administrative action on his part might bring about an improvement in that mail service. In the meantime I prepared legislation which would greatly extend mailing privileges.

I am now delighted to see the Congress assert itself in bringing this legislation to the floor in H.R. 10226.

The broadening of the free mailing privileges to all members of the Armed Forces stationed overseas, and covering both letters and sound recordings, will certainly do much to bring our overseas military personnel closer to their own families.

The extension of these privileges to those who are rotated out of combat zones is another fine feature of the bill. It is, as the committee report notes, a simple matter of equity and fair treatment.

The newly created air parcel service is particularly significant. The rapid dispatch of parcels from the families of servicemen overseas to the military personnel is most important in the whole morale picture of our Armed Forces. I might remark in passing, by the way, that it is my hope that the Postmaster General will fix a very modest minimal fee for this mailing.

All in all, Mr. Speaker, this is a fine piece of legislation which all Americans will rejoice to see passed. It is my hope that the House will quickly pass this bill today, that the other body will take rapid action, and that it will be signed into law. On that day, Mr. Speaker, we will all be able to look with particular pride on a law which will make such a significant difference to our splendid men in the armed services.

Mr. CORBETT. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina [Mr. BROYHILL], a member of the committee.

Mr. BROYHILL of North Carolina. Mr. Speaker, it is indeed my pleasure to join with my distinguished colleagues on the Post Office and Civil Service Committee in introducing H.R. 10226, a bill to improve the mail service for members of our Armed Forces serving overseas. The laws passed in 1965 and 1966—Public Law 89–315 and Public Law 89–725—certainly went a long way toward providing the finest mail service available to our service personnel. However, even with this legislation, a few problems still remained. Our new bill, H.R. 10226, corrects these problems.

The earlier legislation had limited the free mailing privileges to men serving in combat areas. However, this draws an arbitrary line between those men serving in the combat areas of Vietnam and those serving in support activities in neighboring countries. The committee felt that this distinction was unfair, and I agree, for no one will question the vital need for or importance of an effective logistics operation as well as an effective fighting force.

Our new bill removes this distinction by extending free mailing privileges for letters, cards, and sound-recorded personal communications to all members of the Armed Forces serving overseas. Similarly, the bill removes the line between combat and noncombat areas as it relates to hospitalized servicemen by extending this airlift privilege to all personnel hospitalized as a result of disease or injury incurred while on active duty, instead of only those whose disease or injury was incurred in a combat area.

In addition, I feel that servicemen stationed overseas, separated from their homes by many miles, deserve to receive news from their hometowns as quickly as those in combat areas. Our bill extends the airlift privilege for second class news publications, as was initiated by Public Law 89–275 of November 1966, to all Armed Forces personnel overseas.

Another major area in which we are providing better mail service involves packages. The law passed in 1966 limited the airlift to packages under 5 pounds and between the point of embarkation in the United States and any overseas APO. However, this does not cover the distance from the serviceman's home to the point of embarkation. In addition, the high cost of air parcel post is often prohibitive. To meet these objections, I am glad that we have recommended airlift from the point of mailing to the final destination for parcels weighing no more than 30 pounds.

Our service personnel serving in the Canal Zone have presented a special problem because the zone has no APO offices, but has an independent postal service under the jurisdiction of the Canal Zone Government. In my opinion, it is only fair that the benefits of our new bill, as well as those of our earlier legislation, be extended to these men, and section 4 of H.R. 10226 does this.

Our servicemen and women stationed overseas deserve the finest mail service possible, and it is my earnest hope that the Members of the House can show their support for these men and women by approving the passage of this important legislation.

Mr. CORBETT. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. BYRNE].

Mr. BYRNE of Pennsylvania. Mr. Speaker, I, too, would like to join with my colleagues in complimenting the chairman of this committee [Mr. DULSKI] and the other members of the committee for the very fine job they did in bringing this bill to the House floor.

I visited Thailand and Vietnam in March and April. The only gripes I heard were from the boys in Thailand who were not getting an equal break. People sending packages to them were being charged a certain amount of postage and they, too, had to pay postage to mail a letter home. I think this is a very good morale builder.

Mr. Speaker, I have been convinced for quite some time that we should furnish our servicemen overseas with mail service by the fastest means of transportation available.

I am convinced that the legislation we have before us today will accomplish the objectives the members of the committee have been trying to accomplish for the past 3 years. These objectives are fully explained in the reports issued as a result of onsite investigations in Europe and in the Far East.

My rationale for supporting this legislation is very simple. It is based upon a policy that I have given careful thought to, and that I would most seriously urge the Congress to adopt. The policy is simply this. We, as a Congress, should adopt the proposition that when a member of the Armed Forces is separated from his family and friends in an overseas area in service to his country, his Government should endeavor to provide him and his family with the means for fast, efficient, and economical communication.

This benefit should be provided to all servicemen overseas and to those members of their families who wish to communicate with them, regardless of the servicemen's duty assignments. It should be extended in recognition of the fact that the serviceman is separated by distance, rather than in recognition of the fact that he may be in a combat area.

I believe that, if you will consider this matter for a moment, you will agree with me that what we are trying to do by this legislation is to recognize the need for improving communications between a serviceman separated from home and his loved ones. I, for one, cannot adopt the policy that a serviceman stationed in a remote area of the Arctic, manning an early warning station, or a serviceman stationed in Thailand, Pakistan, or India, or in any other overseas area of the world, should be denied the right to have the benefits of air transportation of all of his mail. I know of no logical reason for denying air transportation of mail to servicemen.

Mr. Speaker, I am hopeful that the Members here today will agree with me and be favorably disposed to approve H.R. 10226 today.

Mr. CORBETT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Congress, in deliberate steps, is gradually meeting the need for modern and inexpensive mail service to our military personnel in all areas of the world.

In the 89th Congress, we accomplished a great deal toward providing swift and efficient postal service to American service men and women assigned to oversea posts. The legislation before the House today is designed to fulfill the military mail program which the Committee on Post Office and Civil Service embarked on 2 years ago.

This legislation contains three features which are desirable if we wish to bring our military personnel in closer touch with their families and friends at home.

First, it extends the free mailing privilege for letters and sound recorded personal communications to all servicemen in oversea areas and to all who are hospitalized in a facility under the jurisdiction of the Armed Forces as a result of disease or injury incurred while on active duty.

This, in my estimation, is a convenience which we can provide at a minimum cost. I think it is only fair that all servicemen overseas be accorded equal privileges, and I think we can ill afford to discriminate against a serviceman because of his particular geographic duty assignment.

Every service man and woman under the American flag in whatever part of the world is a defender of our freedom, and I suggest that this free mailing privilege is among the least of tributes we can pay.

Two other provisions of this legislation would help shorten the distance between the serviceman and his hometown.

One creates a new category of airlift mail for parcels weighing up to 30 pounds, mailed at or addressed to any Armed Forces post office. A special uniform fee, in addition to the regular surface rate of postage, would enable the parcel to be transported by air on a space-available basis.

The last provision of the legislation provides for the airlift of hometown newspapers to all Armed Forces post offices in any oversea area. I can foresee this as an important morale boost to our military personnel who are anxious to keep in close touch with the affairs of their home communities.

The emphasis of this whole military mail program is speed and efficiency, and I suggest our Nation is fully capable of providing modern and undelayed postal service to oversea military establishments.

I join our good chairman in urging that we pass H.R. 10226 unanimously.

Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Speaker, I strongly favor this piece of legislation. I want to commend the gentleman from Pennsylvania and the whole Committee on Post Office and Civil Service for the well-thought-out bill they have brought to the floor of the House.

In my opinion, the proposal is most worthwhile, is economically feasible, and certainly is in the best interests of the United States.

I want to express my complete support for H.R. 10226, which will provide certain additional mailing privileges for our armed services stationed abroad.

The bill is a more or less natural result of the concern and earnest desire on the part of the American people to express our deep and abiding gratitude and our respect for our young men and women in uniform. It is the outgrowth of our desire to make life in the service—especially during times of great stress and uncertainty such as today—to make that life more pleasant and rewarding.

H.R. 10226 is similar in concept and philosophy, if not in detail, to legislation which I had introduced earlier this year. My bill is H.R. 5134, and would establish certain postal rate benefits on mail going to, as well as coming from, military personnel in combat zones. In some respects, the legislation before the House today goes a step further than my bill, and I am gratified that it does. In other respects, it does not go as far as my bill and I look hopefully to possible future amendment of this program which might incorporate some of the additional provisions.

In any event, I support the bill before us today and I hope it will prevail. Certainly, enlightened thinking along these lines is long overdue and seems of basic value and importance toward maintaining a high morale among our men in uniform.

Anyone, and I know there are a great many in this body, who has ever worn a uniform in service to this country; who has ever pulled duty in any of the thousands of remote, unfamiliar outposts strung around the world; who has ever known the loneliness of prolonged assignment out of touch with family and loved ones; anyone who has known these things knows also the priceless value of a letter or a package from home.

The thing we sometimes take for granted in everyday life—indeed, the thing that has been something of an economic controversy here in the Congress on more than one occasion—is also a godsend to our GI's in service overseas.

This legislation recognizes these facts and attempts, in a feasible and realistic way, to do something about them. This bill will permit our GI's all over the world at any APO address to send their mail home postage free. More importantly, it liberalizes airlift rules and rates on packages sent to GI's overseas.

The committee has done an outstanding job in organizing the facts and figures pertinent to this legislation. Their report is persuasive and enlightening. It leaves little doubt that here is an innovation we can well afford to make in behalf of the morale and the welfare of our men in uniform and to their loved ones who wait anxiously and solicitously at home.

Mr. Speaker, I support the bill and again, I commend the distinguished gentleman from Pennsylvania as ranking Republican on the committee and all the members of the committee for reporting out this very important and necessary bill.

Mr. CORBETT. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Virginia [Mr. SCOTT], a member of the committee.

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

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

There was no objection.

Mr. SCOTT. Mr. Speaker, I rise as one of the cosponsors of this legislation in support thereof.

As a cosponsor of this bill, I rise in support of it. We need this legislation to provide additional free letter mail and air transportation mailing privileges for other members of the U.S. Armed Forces as well as those combat forces to whom these privileges already extend.

The changes which the bill proposes seem to me necessary to provide a simple, logical, and fair system of handling Armed Forces mail.

The proposed legislation would eliminate complications in the present law, which grants free letter mail for letters mailed by a serviceman in the combat areas. Under current law, that serviceman loses his free mail privilege when he is rotated out of a combat area for rest and relaxation. Arbitrary distinctions exist between the forces serving in Vietnam, who have free mail privileges, and those stationed in Thailand or other noncombat areas, who do not. The free mail privilege now extends to a serviceman hospitalized as the result of injury or disease sustained in combat zones, but not to patients who were hurt or became sick outside those areas.

I believe that a citizen who enters the Armed Forces of the United States makes the same commitment no matter where he is sent by his country. My opinion is that the proposed legislation will reflect our understanding of that fact. I urge the passage of this legislation.

Mr. DULSKI. Mr. Speaker, I ask

unanimous consent that the gentleman from Pennsylvania [Mr. NIX] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. NIX. Mr. Speaker, I was pleased to have the privilege of being a cosponsor of H.R. 10226, and am glad to rise here today in support of this bill.

This legislation is designed to further improve mail service for members of the Armed Forces in three significant respects. Generally speaking, this legislation:

Extends the free mail privilege for letters and sound-recorded communications to all servicemen in all overseas areas;

Extends to a worldwide basis the privilege of airlift for news value publications; and

Establishes a new category of airlift mail parcels weighing up to 30 pounds and not exceeding 60 inches in length and girth combined, which are mailed at or addressed to any Armed Forces post office, in order to provide an airlift for this type of mail within the United States at a reasonable rate of postage.

All of these matters have been discussed in detail by the Honorable THADDEUS J. DULSKI, chairman of our committee.

Mr. Speaker, I am a member of the Subcommittee on Postal Rates that considered this legislation this year. We on the subcommittee were unanimous in our support of the bill approved by the subcommittee and now pending before us here today.

There were 16 bills referred to our subcommittee, which may be divided into two groups. The bills in the one group are representative of H.R. 10226, reported by our committee. The other group, in addition to providing the basic benefits approved by the committee, would have extended the free mail privilege to include a sender in the United States when the letter was mailed to the serviceman in a combat area, and would have amplified the category of mail entitled to the free mail privilege from letters, post cards, and sound recorded communications, to include the news publications and parcels of any class of mail not over 5 pounds.

Our subcommittee rejected these proposals primarily on the basis that the estimated additional $30 million cost would be excessive under the existing circumstances. Also, such a privilege would extend far beyond any similar mailing privileges afforded members of the armed services in the past.

Mr. Speaker, I believe this is a good bill. It is something that is vitally needed in order to afford our people an economical means of utilizing the modern means of air travel to speed the mail between our servicemen and the folks at home. I urge favorable consideration for this legislation here today.

Mr. ADDABBO. Mr. Speaker, I want to indicate my strong support for the bill under consideration which would greatly improve the mail service for the members of our armed services and, especially, for our fighting men in Vietnam.

I agree with General Westmoreland that next to "bullets, beans, and bandages," mail from home is the most important commodity for American troops in Vietnam. Free mailing privileges for letters and tape recordings provided by this bill, will encourage a more constant flow of mail to Vietnam, thereby providing for many the needed reassurance that we are thinking about them every day. Our men in Vietnam are fighting a tough and dirty war, and their performance on the battlefield is greatly influenced by morale. Greater access to parcels, papers, letters, and recordings from home will help to sustain the high morale American troops have demonstrated to date.

I am particularly pleased that this bill would significantly reduce the cost of mailing packages and newspapers to members of the armed services. Too often prohibitive mailing costs have prevented an American soldier from receiving a package from home. I have heard of cases where a present worth $5 cost $10 or $20 to send to a soldier overseas. Only greatly reduced mailing costs will make it possible for literally thousands of American soldiers to receive packages. Of similar importance is the provision of the bill which would extend the airlift of news magazines and hometown newspapers to all Armed Forces post offices overseas. Presently, our soldiers who subscribe to news publications either get them late or pay exorbitant prices to have them air mailed.

Mr. Speaker, by passing this bill, we have a chance to make the long days for our men in Vietnam and other parts of the world a little more bearable. I urge my colleagues to give it their support.

Mr. CUNNINGHAM. Mr. Speaker, the Members of Congress are well aware of the many sacrifices of our servicemen overseas, not only those serving in combat areas, but those serving in areas separated by great distances from their families and loved ones. The oceans separating these American boys need not be a barrier to prompt, efficient, and inexpensive communications.

Many times in this country we take for granted the day-to-day delivery of our mail, we assume that any mail sent will be delivered within a reasonable period of time. What many people do not realize is the time it takes for a letter mailed overseas to reach this country. The people who do realize this are the servicemen stationed overseas and their families in this country.

Excluding the necessities of life, mail from home is probably the most important single factor in the life of a serviceman overseas. The mail call is an oasis in an otherwise dreary desert. The "letter from home to the serviceman provides him with not only the latest news about his family and friends, but many times gives him an understanding of why he is called upon to serve his country, and gives him the drive he needs to continue doing a good job.

Mr. Speaker, one of the most important aspects of life in the Armed Forces is establishing and maintaining high morale. A letter or parcel from home produces a very positive reaction in the serviceman receiving the communication. All the high ranking military people recognize this, and do all they can to improve troop morale. I believe, by passing the legislation before the House today, the Members will do their part in maintaining the morale of our troops.

I believe, as I am certain my colleagues believe, America's Armed Forces personnel are entitled to share in the life they are defending for others. I reject any theory that prompt mail communications are not to be extended to servicemen overseas, or that this service cannot be provided. The Congress must do all within its power to assure that those who defend this Nation have at least the standards enjoyed by people living within the continental United States. The passage of the legislation before the House today will provide some small measure of that standard.

Mr. Speaker, as a matter of equity and fair treatment, I urge my colleagues to vote for the bill being considered by the House.

Mr. GALLAGHER. Mr. Speaker, on two previous occasions the Congress has recognized the pressing need to provide fast and efficient mail service for our service men and women serving overseas. In 1965 and again in 1966, the Congress liberalized the amount of mail and packages that could be sent at a reduced charge to members of the Armed Forces serving in various combat zones.

Mr. Speaker, the legislation before us today insures that friends and family of those members of the armed services stationed overseas are not put to any undue hardship or expenses in sending letters and packages.

The bill we passed last year allowed a person in the United States to send a letter, sound recording, or package under 5 pounds by mailing to the point of embarkation within the United States and then the Armed Forces provided airlift for the letter or parcel to the APO overseas. This legislation has proved extremely successful and helpful, even though hampered by what many of us considered an unrealistic weight limit on parcel post packages.

The bill before us today increases that weight limit to 30 pounds, providing that the width and length of the package is within 60 inches. This increase in the size of packages represents to me a realistic estimate of the needs of our servicemen and the desires of their families and friends.

As General Westmoreland has said, he rates a good mail service in Vietnam only after "bullets, beans, and ballots." To keep the morale of our fighting men throughout the world at a peak we must give them an efficient and relatively speedy method of receiving mail from home and at a reasonable cost. I think this bill provides for this.

At the present time, to send a 10-pound package from Washington, D.C., to Vietnam by surface transportation costs about $2.40. As you can imagine, this method takes quite a long time. If

the sender wants reasonably fast service, he must send the package air mail which for the same distance costs $8.08, and this is sometimes more than the cost of the package itself. The bill we are considering today would allow that same package to go to Vietnam by air for the cost of $2.40 plus a charge to be established by the Postmaster General which we expect will not exceed $1. This means that a parcel could be sent airlift to Vietnam for about $3.40 as compared to the present cost of $8.08. I think most Members will agree that the former figure is much more reasonable.

Mr. Speaker, members of the Armed Forces serving overseas, and particularly those serving in combat areas, are giving a great measure of sacrifice to their country in being away from their loved ones, family and friends for extended periods of time. The one thing that gives a small comfort is receiving a letter or package from home. As a former GI, who served overseas during World War II, I can give firsthand testimony to the very great need for these letters and packages.

I would hope that today's vote would be unanimous in favor of this legislation to show our men and women serving in foreign lands the support and gratitude of this Congress and the people we are all privileged to represent. I urge my colleagues to vote in favor of this bill.

Mr. Speaker, the City Council of Elizabeth, N.J., which I am proud to represent, recently adopted a resolution introduced by Council President Michael J. DeMartino urging the Congress to enact legislation liberalizing the mailing privileges for members of the Armed Forces overseas. I think it would be appropriate for this resolution to appear at this point in the RECORD.

Whereas, our nation is contributing its heroic fighting men and women, who face death for the cause of freedom and peace while defending this nation against the Communist aggression in Vietnam; and

Whereas, said American fighting men and women require encouragement and support from the home front from the President of the United States and the Congress of the United States as well as from their families and friends; and

Whereas, parents, families and loved ones in support of our fighting men and women send to them packages from home; and

Whereas, the mailing cost for said packages are overburdening so as to restrict the number of packages which would be sent; and

Whereas, it is the intention of the City Council of the City of Elizabeth to request the proper Federal Officials for relief in postal rates for packages sent to our servicemen and women in Vietnam; now, therefore, be it

Resolved that the City Council of the City of Elizabeth requests the President of the United States, Lyndon B. Johnson, through his Postmaster General, Lawrence O'Brien, to initiate and support suitable legislation in the Congress of the United States permitting free postage for packages sent to all servicemen and women serving in Vietnam; and be it

Further resolved that the City Clerk is hereby directed to forward a certified copy of this Resolution to the Office of the President of the United States, the Postmaster General of the United States, the President of the United States Senate and the Speaker of the House of Representatives.

Mr. HAMILTON. Mr. Speaker, I would urge all Members of this House to support H.R. 10226 which will provide faster, better, more equitable postal service for all members of our Armed Forces who serve in overseas assignments.

The bill we are considering today would make three major changes in existing law:

First. Free mailing privileges for letters and personal voice recordings would be extended to all servicemen in overseas assignments and for all servicemen who are hospitalized while serving on active duty.

The present law gives these free mailing privileges only for servicemen on duty in designated combat zones or who are hospitalized while serving in combat zones.

Second. The second provision would extend air parcel post service for military personnel serving abroad. This would provide air parcel post service for packages weighing up to 30 pounds, with a combined length and girth of up to 60 inches, upon payment by the mailer of regular surface parcel post rates plus a special airlift fee which would be established by the Postmaster General.

We have already provided parcel post airlift to overseas bases and stations from New York, San Francisco, and Seattle.

But to get air service between these three points and post offices within the United States, mailers must now pay regular air parcel post rates. This often results in charges greater than the monetary value of the package—although not greater than the morale value.

The tentative estimate by the Post Office Department is that the special airlift fee would be $1. This would mean that a 10-pound parcel could be mailed to a serviceman anywhere overseas by air for $3.40. The present cost, at regular air parcel post rates, would be $8.08.

Third. The third change would provide air transportation for second-class news publications to any overseas Armed Forces post office.

The present law provides this airlift privilege only for newspapers and periodicals mailed into designated combat areas.

The estimated cost of these changes, including the revenues that would be lost from the extended free mailing privileges, is about $6.5 million.

I believe that this is a very small investment to make for substantial improvements in mail service for the young Americans who serve their Nation everywhere in the world.

We cannot calculate the value of morale, but we know that its value is great, and we cannot calculate the value of mail from home, but we know that this, too, is great.

I believe that the costs of the service which this bill would extend are a small price to pay for the morale of our servicemen and their families.

Mrs. DWYER. Mr. Speaker, the morale of the Armed Forces of the United States is one of the most important factors involved in the protection of our country's vital interests throughout the world. And few, if any, bills which the Congress considers this year will contribute more to good morale among American fighting men than the legislation now before us.

For this reason, I wholeheartedly support the bill to expand mailing privileges for members of the Armed Forces and to improve mail service between them and their families and friends at home.

As the committee report points out, this is the third time in 3 years that the House has acted to bolster mail service for members of the Armed Forces serving overseas. The present bill is a natural and reasonable extension of the earlier legislation—improving it, correcting certain inequities, and devoting to the goal of fast, efficient, and inexpensive mail service for Americans on military duty abroad the high priority it deserves.

The bill seeks to accomplish this purpose in four major areas:

First, by extending to all servicemen stationed overseas, and to all servicemen hospitalized as a result of disease or injury incurred while on active duty the privilege of mailing cards, letters, and sound-recorded communications free of charge;

Second, by establishing a new category of airlift mail for parcel post which will cover parcels of up to 30 pounds in weight and 60 inches in combined length and girth and will reduce significantly the high cost of sending packages to servicemen overseas;

Third, by broadening the present airlift for publications of news value to include those addressed to any overseas Armed Forces post office; and

Fourth, by applying the benefits in the present and earlier legislation to servicemen stationed in the Canal Zone which does not have an Armed Forces post office.

Expert witnesses, Mr. Speaker, have assured us that adequate airlift capacity now exists to handle the additional categories of mail covered by the present bill. The additional cost of the improved service will be moderate. It will not interfere with the transportation of vital military cargo.

In light of these considerations, I hope the House will give to this bill the overwhelming approval it should have. It is one small way in which we can express the concern and the commitment we all share for the welfare of those men who are risking their lives in the defense of our country.

The SPEAKER pro tempore (Mr. ALBERT). The question is on the motion of the gentleman from New York [Mr. DULSKI] that the House suspend the rules and pass the bill H.R. 10226.

The question was taken.

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

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

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

The question was taken; and there were—yeas 316, nays 0, not voting 117, as follows:

[Roll No. 116]

YEAS—316

Abernethy	Gallagher	Morris, N. Mex.
Adair	Gardner	Morse, Mass.
Adams	Gettys	Mosher
Addabbo	Giaimo	Moss
Albert	Gibbons	Multer
Anderson, Ill.	Gilbert	Murphy, Ill.
Anderson, Tenn.	Gonzalez	Natcher
	Goodling	Nedzi
Andrews, Ala.	Green, Oreg.	Nelsen
Andrews, N. Dak.	Green, Pa.	Nichols
	Griffiths	Nix
Annunzio	Gross	O'Hara, Ill.
Arends	Grover	O'Neal, Ga.
Ashbrook	Gubser	Patman
Ashley	Gude	Patten
Ashmore	Hagan	Pelly
Aspinall	Haley	Pepper
Ayres	Hall	Perkins
Baring	Hamilton	Pike
Bates	Hammer-schmidt	Pirnie
Belcher		Poage
Bennett	Hanley	Poff
Berry	Hansen, Idaho	Pollock
Betts	Harrison	Pool
Bevill	Harsha	Price, Ill.
Biester	Harvey	Price, Tex.
Bingham	Hathaway	Pryor
Blackburn	Hawkins	Pucinski
Blatnik	Hays	Purcell
Boggs	Hébert	Quie
Boland	Hechler, W. Va.	Quillen
Bow	Heckler, Mass.	Randall
Brademas	Helstoski	Rarick
Brinkley	Henderson	Rees
Broomfield	Hicks	Reid, N.Y.
Brotzman	Horton	Reifel
Brown, Mich.	Hosmer	Reuss
Brown, Ohio	Howard	Rhodes, Pa.
Broyhill, N.C.	Hull	Riegle
Broyhill, Va.	Hungate	Rivers
Buchanan	Hunt	Roberts
Burke, Fla.	Hutchinson	Robison
Burke, Mass.	Joelson	Rodino
Burleson	Johnson, Calif.	Rogers, Colo.
Burton, Calif.	Johnson, Pa.	Rogers, Fla.
Burton, Utah	Jonas	Rooney, Pa.
Bush	Jones, Ala.	Roth
Byrne, Pa.	Jones, N.C.	Roudebush
Byrnes, Wis.	Karsten	Roush
Cahill	Karth	Roybal
Carter	Kastenmeier	Rumsfeld
Casey	Kazen	Ryan
Chamberlain	Kee	St Germain
Clancy	Keith	Satterfield
Clausen, Don H.	Kelly	Saylor
	King, N.Y.	Schadeberg
Cleveland	Kirwan	Scherle
Colmer	Kleppe	Schneebeli
Conable	Kornegay	Schweiker
Conte	Kuykendall	Schwengel
Conyers	Kyl	Scott
Corbett	Kyros	Selden
Corman	Laird	Shipley
Cowger	Landrum	Sikes
Cramer	Langen	Sisk
Culver	Latta	Skubitz
Cunningham	Lennon	Smith, Calif.
Curtis	Lloyd	Smith, Iowa
Daddario	Long, Md.	Smith, N.Y.
Daniels	McCarthy	Smith, Okla.
Davis, Ga.	McClory	Snyder
Davis, Wis.	McClure	Springer
Dawson	McCulloch	Stafford
de la Garza	McDade	Staggers
Delaney	McDonald, Mich.	Stanton
Dellenback		Steed
Denney	McEwen	Steiger, Ariz.
Derwinski	McFall	Stephens
Dickinson	MacGregor	Stratton
Dingell	Machen	Stubblefield
Dole	Mahon	Stuckey
Dorn	Mailliard	Sullivan
Dowdy	Marsh	Taft
Downing	Martin	Talcott
Dulski	Mathias, Calif.	Taylor
Duncan	Mathias, Md.	Teague, Calif.
Dwyer	Matsunaga	Tenzer
Edmondson	May	Thomson, Wis.
Edwards, Ala.	Mayne	Tuck
Edwards, Calif.	Meeds	Ullman
Edwards, La.	Meskill	Utt
Esch	Michel	Van Deerlin
Eshleman	Miller, Ohio	Vander Jagt
Everett	Mills	Vanik
Farbstein	Minish	Vigorito
Fisher	Mink	Waggonner
Flynt	Minshall	Waldie
Foley	Mize	Walker
Fraser	Monagan	Wampler
Friedel	Montgomery	Watson
Fulton, Pa.	Moore	Watts
Fuqua	Moorhead	White
Galifianakis	Morgan	Whitener
Whitten	Wright	Wyman
Widnall	Wyatt	Yates
Williams, Pa.	Wydler	Young
Winn	Wylie	Zablocki

NAYS—0

NOT VOTING 117

Abbitt	Fountain	Ottinger
Barrett	Frelinghuysen	Passman
Battin	Fulton, Tenn.	Pettis
Bell	Garmatz	Philbin
Blanton	Gathings	Pickle
Bolling	Goodell	Railsback
Bolton	Gray	Reid, Ill.
Brasco	Gurney	Reinecke
Bray	Halleck	Resnick
Brock	Halpern	Rhodes, Ariz.
Brooks	Hanna	Ronan
Brown, Calif.	Hansen, Wash.	Rooney, N.Y.
Button	Hardy	Rosenthal
Cabell	Herlong	Rostenkowski
Carey	Holifield	Ruppe
Cederberg	Holland	Sandman
Celler	Ichord	St. Onge
Clark	Irwin	Scheuer
Clawson, Del	Jacobs	Shriver
Cohelan	Jarman	Slack
Collier	Jones, Mo.	Steiger, Wis.
Dent	King, Calif.	Teague, Tex.
Devine	Kluczynski	Thompson, Ga.
Diggs	Kupferman	Thompson, N.J.
Donohue	Leggett	Tiernan
Dow	Lipscomb	Tunney
Eckhardt	Long, La.	Udall
Eilberg	Lukens	Watkins
Erlenborn	McMillan	Whalen
Evans, Colo.	Macdonald, Mass.	Whalley
Evins, Tenn.		Wiggins
Fallon	Madden	Williams, Miss.
Fascell	Miller, Calif.	Willis
Feighan	Morton	Wilson, Bob
Findley	Murphy, N.Y.	Wilson, Charles H.
Fino	Myers	
Flood	O'Hara, Mich.	Wolff
Ford, Gerald R.	O'Konski	Younger
Ford, William D.	Olsen	Zion
	O'Neill, Mass.	Zwach

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. O'Neill of Massachusetts with Mr. Watkins.
Mr. St. Onge with Mr. Button.
Mr. Garmatz with Mr. Lukens.
Mr. Thompson of New Jersey with Mr. Pettis.
Mr. Fountain with Mr. Steiger of Wisconsin.
Mr. Wolff with Mr. Whalley.
Mr. Miller of California with Mr. Del Clawson.
Mr. King of California with Mr. Reinecke.
Mr. Madden with Mr. Wiggins.
Mr. Celler with Mr. Halleck.
Mr. Barrett with Mr. Frelinghuysen.
Mr. Teague of Texas with Mr. Brock.
Mr. Murphy of New York with Mr. Diggs.
Mr. Macdonald of Massachusetts with Gerald R. Ford.
Mr. Leggett with Mr. Younger.
Mr. Cohelan with Mr. Bob Wilson.
Mr. Dent with Mr. Fino.
Mr. Donohue with Mr. Halpern.
Mr. Philbin with Mr. Bell.
Mr. Feighan with Mrs. Reid of Illinois.
Mr. Fascell with Mr. Battin.
Mr. Evins of Tennessee with Mr. Bray.
Mr. Gray with Mr. Cederberg.
Mr. Holifield with Mrs. Bolton.
Mr. Kluczynski with Mr. Collier.
Mr. Olsen with Mr. Devine.
Mr. Ronan with Mr. Erlenborn.
Mr. Herlong with Mr. Findley.
Mr. Fulton of Tennessee with Mr. Gurney.
Mr. Flood with Mr. Kupferman.
Mr. Evans of Colorado with Mr. Zwach.
Mr. Carey with Mr. Lipscomb.
Mr. Brooks with Mr. Zion.
Mr. Brasco with Mr. Morton.
Mr. Blanton with Mr. Railsback.
Mr. Brown of California with Mr. Sandman.
Mr. Abbitt with Mr. Thompson of Georgia.
Mr. Jarman with Mr. Shriver.
Mr. Jacobs with Mr. Whalen.
Mr. O'Hara of Michigan with Mr. Ruppe.
Mr. Passman with Mr. Hanna.
Mr. Pickle with Mr. O'Konski.
Mr. Rostenkowski with Mr. Myers.
Mr. Slack with Mr. Rhodes of Arizona.
Mr. Hardy with Mr. Resnick.
Mr. Fallon with Mr. Rosenthal.
Mr. Cabell with Mr. Scheuer.
Mr. Ichord with Mr. Irwin.
Mr. Tunney with Mr. Clark.
Mr. Udall with Mr. Dow.
Mr. Tiernan with Mr. Holland.
Mr. Williams of Mississippi with Mr. Willis.
Mr. Charles H. Wilson with Mr. Long of Louisiana.
Mr. Eckhardt with Mr. William D. Ford.
Mr. Eilberg with Mr. Gathings.
Mrs. Hansen of Washington with Mr. Ottinger.

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

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DULSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on H.R. 10226.

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

There was no objection.

EXTENDING FOR 2 YEARS THE PERIOD FOR WHICH PAYMENTS IN LIEU OF TAXES MAY BE MADE WITH RESPECT TO CERTAIN REAL PROPERTY TRANSFERRED BY THE RECONSTRUCTION FINANCE CORPORATION AND ITS SUBSIDIARIES TO OTHER GOVERNMENT DEPARTMENTS

Mr. REUSS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4241) to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments.

The Clerk read as follows:

H.R. 4241

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 703 of the Federal Property and Administrative Services Act of 1949 (69 Stat. 722) is amended by striking out the figures "1967", and inserting in lieu thereof the figures "1969".

(b) Section 704 of such Act (69 Stat. 723) is amended by striking out the figures "1966", and inserting in lieu thereof the figures "1968".

The SPEAKER pro tempore. Is a second demanded?

Mr. BROWN of Ohio. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The

Chair recognizes the gentleman from Wisconsin [Mr, REUSS].

Mr. REUSS. Mr. Speaker, the purpose of H.R. 4241 is to extend for a further 2-year period the authority to make payments in lieu of taxes on certain former Reconstruction Finance Corporation properties now being held by other Government agencies. The bill was reported unanimously by the Committee on Government Operations.

The authority provided here expired on December 31, 1966, due to the fact that in the last Congress the Senate failed to act on a bill we reported and which passed the House. We are informed that there was no known opposition to the bill in the other body and only the press of business prevented its passage over there.

The former RFC properties involved are industrial-type facilities and were all at one time or another on the tax rolls of the communities in which they are located. The Congress has long considered that even though title is now in the U.S. Government, an alternative to real estate taxes should be provided. Legislation was therefore enacted in 1955 permitting payments in lieu of taxes to be made by the Federal agency having custody of the properties. This legislation was extended for 2-year periods until the last Congress.

The Department of Defense has custody over 29 of the properties and favors the extension. In fiscal year 1966, DOD made payments of $2.5 million. The other three properties are held by the General Services Administration and in that year it paid out $585,000. GSA feels the purposes of the act have been accomplished and an extension is not necessary.

The Bureau of the Budget, however, approves the extension for 2 years but questions whether the payments should continue beyond that period inasmuch as the purpose of providing temporary relief to the local taxing authorities has been accomplished.

The committee felt that it would only be fair to give some warning to the communities that these payments would terminate rather than have the sudden cutoff that has resulted. Such a warning is contained in our report so that taxing authorities may prepare for this eventuality.

H.R. 4241 will be retroactive to January 1, 1967. A list of the properties and the amounts of the payments made on each in fiscal years 1965 and 1966 is contained in the report. Agency comments on the extension will also be found in the report.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I might point out that the minority on the subcommittee and on the full committee had no objection to this legislation. The legislation passed the committee, as I recall it, unanimously. This bill supports a theory we already have in operation, namely, the impacted school district program where we recognize the existence of a need for funds in lieu of taxes from the Federal Government because of the utilization of certain Federal properties in specific ways.

I just want to associate myself with the comments made by the distinguished gentleman from Wisconsin, a member of the committee [Mr. REUSS].

Mr. REUSS. Mr. Speaker, I believe the gentleman from Ohio has certain requests for time on his side, and I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I do have requests for time. I now yield 5 minutes to the gentleman from Ohio [Mr. CLANCY].

Mr. CLANCY. Mr. Speaker, as a sponsor of legislation identical to the bill before us to reinstate the law providing for payments in lieu of taxes, I would strongly urge that we pass this bill today without delay.

As you know, the original law enacted in 1955 was designed to furnish temporary relief for local taxing authorities which were under an undue and unexpected burden as the result of the transfer of taxable real property from the Reconstruction Finance Corporation to another Federal agency or department, which transfer operated to remove such property from the tax rolls.

Although we voted last year to extend the law authorizing these payments for 2 additional years, the Senate failed to act prior to adjournment. As a result of the expiration of the law, a number of communities are faced with unanticipated financial hardship.

Among these are taxing districts in Hamilton County in Ohio. Two school districts in the village of Evendale, which I am privileged to represent, have been particularly hard hit because the Comptroller General has ruled that the payment of $58,855.32 which the two taxing districts in Hamilton County anticipated for the second half of 1966 is barred because it did not become due until after the expiration date of the statute. This sum was due on properties owned by the Department of the Air Force in the vicinity of the General Electric plant in Evendale. The nonpayment, of course, places undue hardship on the village of Evendale and the affected school districts because it reduces available funds anticipated to meet current operating expenses and the obligations of their bonded indebtedness.

Fairness to the fiscal situations of the communities involved, not only in our community of Evendale, but across the country, justifies a continuation of temporary relief. The impact upon the financial resources of the communities affected is considerable. They have relied on the anticipated payments and have not had sufficient notice to make alternative arrangements.

I am hopeful that the other body will recognize the predicament facing these communities and will take up this important legislation as soon as possible.

I also hope that during this session we can work toward the development of a comprehensive program to afford permanent relief to all State and local taxing authorities which are being deprived of tax revenues as the result of Federal ownership of property which would be subject to taxation if privately owned.

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

Mr. CLANCY. Yes, I shall be happy to yield to the gentleman from New York.

Mr. ROBISON. Mr. Speaker, I appreciate the distinguished gentleman from Ohio yielding to me at this point.

Mr. Speaker, I would like to associate myself with the remarks which the gentleman has just made with reference to this subject. In reading the committee report, I notice that the Bureau of the Budget states that, if this bill is not enacted, "possible" hardship could occur in the various communities which are affected by this problem throughout the Nation.

Mr. Speaker, for local government officials and the taxpayers of that community in my congressional district in which one of these plants is located, it is my opinion that the word "possible" should be replaced by the word "probable" or "certain."

I say this as one who knows what the problems are with reference to the local communities which have located therein such governmental facilities and the particular community in my district which has such a plant located therein.

Mr. Speaker, I know that this community would have a great problem in adjusting, if such legislation as this were not enacted at this time, and I would join with the gentleman in expressing the hope that this bill passes here, today, and that the other body gives it its early consideration.

Mr. CLANCY. Mr. Speaker, I would say to the distinguished gentleman from New York that I could not agree more with the gentleman and I am very grateful for his contribution.

Mr. ROBISON. Mr. Speaker, my personal interest in this legislation stems from the fact that Air Force Plant No. 59—which is mentioned in the committee's report—is situated at Johnson City, N.Y., within my congressional district.

This plant is now occupied—as it has been for a considerable number of years—by the General Electric Co., as tenant, the U.S. Air Force acting as landlord. To all intents and purposes, it is a commercial manufacturing plant and engineering laboratory, even though the Federal Government is General Electric's principal customer by virtue of the use to which the plant is put and the items it produces. Like any other commercial plant situated in the area, it receives certain services at the hands of local government which, but for the fact that the plant is federally owned, would be paid for through the normal processes of local taxation.

To get around this problem, as the committee report shows, Congress enacted legislation in 1955 that permitted payments by the Federal Government to the affected local taxing authorities—such payments to be in lieu of normal taxes on the real properties in question which, under the Constitution, are exempt therefrom.

There is no question but that this arrangement was intended to be temporary in nature, only, presumably to allow the

passage of sufficient time after the date when these former Reconstruction Finance Corporation properties were transferred to other Federal agencies, and thus stricken from local tax rolls, for those various Federal agencies to dispose of the same, getting them into private hands and so back on those tax rolls, all without causing undue hardship on the affected local municipalities.

But, Mr. Speaker, like so many other plans around here, matters have not worked out quite as hoped for. Even at this late date, as the report shows, the Air Force still owns 11 such facilities besides the one in my district; the Navy still owns eight such facilities, and the Army an additional nine, all scattered at various points across the Nation. I am not aware of the status of the other such facilities, nor do I know why they have not been disposed of. As for Air Force Plant No. 59, however, the Air Force declared it "surplus" to its needs some years back, the General Services Administration accordingly offered it for sale, the General Electric Co., according to my understanding, was the only bidder and things then progressed to the point where General Electric's offer, following some negotiations, came before the Department of Justice for review. The then Attorney General—or the Department of Justice—apparently influenced by some difficulties the company was having at the time under the antitrust laws, thereupon rejected GSA's request for an antitrust clearance, and General Electric's bid of $2,610,000 was turned down. Thereafter, matters reverted to the status quo, and there they still rest.

As has already been pointed out, the Congress has been extending Public Law 388 of the 84th Congress for 2-year intervals since its original expiration date, as the House in the 89th Congress sought to do only to have the other body fail to act. As a result, the abrupt ending of this program for payments in lieu of taxation on December 31, last, has caused not only some uncertainty but threatens to cause real hardships on the local governments affected by this situation and the other taxpayers thereof. According to my information, the county of Broome, the town of Union and the Johnson City Central School District—to all of which local municipal entities the General Electric Co., if it were the owner of Air Force Plant No. 59, would pay taxes—stand to lose approximately $136,500 in anticipated Federal revenues in this tax year if this bill is not enacted into law.

To my mind, this would be manifestly unfair because, up until the other body's failure to act at the end of the previous session, no such local municipality as far as I know had any reason to doubt the extension of this program. The committee, this time, has given clear warning that even if this extension is enacted, it may be the final such extension, and all of us who are concerned are, I am sure, grateful for this advance notice. But, Mr. Speaker, it does certainly seem to me that Congress should not merely permit the matter to rest there, and I hope that, in the intervening 2-year period that this bill may give us, an effort is made to discover how these federally owned facilities can be disposed of, especially where they are commercially occupied by private corporations such as is the case with Air Force Plant No. 59. I therefore welcome the concluding sentence in the committee's report. in which it states its intention to "make a careful study of this matter," and I hope that study will be undertaken as expeditiously as possible.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS. Mr. Speaker, I take this time not only to support this bill, but to point out that in my judgment this is the prototype that should be used in relation to all Federal property real estate holdings. This, probably, would do more in the area of providing a proper tax-sharing setup that many have been advocating with the Federal Government and the local communities.

Of course, Mr. Speaker, this legislation is necessary, as has other legislation along this line been necessary, because under the Constitution, the States and local communities cannot directly tax the Federal Government or its instrumentalities without its consent. This is analogous to the practice which has been established in the Court of Claims. Through this court Congress has permitted citizens to sue the Federal Government in certain areas, a privilege which they do not have the authority otherwise to do.

So, Mr. Speaker, this permits a system to be established whereby the Federal Government pays in lieu of taxes—the local taxes—for the benefits that it receives which are derived from the community services that are performed. An example is a Federal installation in St. Louis, Mo., which derives all the benefits from the sewers, the streets, the fire department, the police protection, and the educational system. Yet, the Federal Government moves in and withdraws this property from the tax rolls and, in effect, is not contributing to the cost of the services from which it derives those benefits.

Of course as all of us who were in the Congress when we first considered the impacted school area bill know, the whole theory behind the impacted area school bill was that when the Federal Government came into a community, withdrew from the real estate rolls assessable property, it created a burden on the school district to provide for the education of the children in the community. Many of these children in many instances would be those associated with the operation of the Federal Establishment.

I hope the committee is correct in their statement that they think this might phase out this particular small area of property held by the Reconstruction Finance Corporation. I would also hope that, as I said, this would be a basis of a prototype to cover all Federal properties with very few exceptions, I might state. Incidentally, I have in being a comprehensive bill of this nature that I have been working on for several years, and it is now in proper technical language, and it has just been a matter of time that has prevented me from introducing it, along with the remarks discussing it. In developing this bill I had thought possibly one of the types of properties that would be not subject to the in-lieu-of-tax payments would be land held by the Forest Service, only to find that many people in the Forest Service have said to me they would welcome this kind of a bill and to some extent do pay funds in the nature of "in lieu" of taxes. As they put it, in this way we would be welcomed into communities where we go to develop and take forest land if the local people knew we were not going to impose a burden on them by taking this land from the tax rolls.

Finally, and equally important, though, is the other side of the coin which I believe attracted me to this area the most in the first instance. The other side is the discipline that it imposes on the Federal agencies not to go into a community and take up the very best land in the community merely for the reason that it does not make any difference to them whether it was the most valuable piece of property or the least valuable. But if we enacted this in-lieu-of-taxes principle then those people would know that every year in their budget they would have this item for in lieu of taxes, and it would be a great discipline and incentive to use cheaper land if it served the Federal purpose.

In St. Louis one of the most valuable pieces of downtown real estate is held in the old customhouse. They do not need that kind of property in order build a Federal building. Actually, property one-fifth the value would serve their purpose better.

There is a second part of this discipline, and that is the Federal agencies would then not hang on to real estate beyond the time they needed it because again there would be a regular discipline if they had to account for in-lieu-of-tax payments in the budget. Questions are asked—in fact, Federal personnel have asked them themselves—can we not get rid of this real estate and let it get back into the tax base of our local community.

This is essentially good cost accounting, and that is what I am deeply interested in seeing developed in this area. It would bring in, roughly estimated, about $1 billion in additional revenue to the local communities on a right cost-accounting basis.

I commend the committee for this extension. I hope I can get some help from the committee in promoting this concept to include all Federal properties.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman.

Mr. BROWN of Ohio. I would like to associate myself with the gentleman's remarks and to ask the gentleman if this would not also have the effect, if we apply this program to public works projects such as dams and reservoirs where the Federal Government would be kept from taking more land than is necessary.

I have in mind a situation in my own congressional district now where a small community is going to be destroyed by a reservoir project and there is no way by which that community can be compensated.

Mr. CURTIS. The gentleman is so right. This imposes cost accounting principles on our Federal bureaus in a proper way and I think it is an exceedingly healthy thing.

Those who know that our local communities are having a problem in meeting their local bills for police, fire protection and sewerage services, streets and so forth, recognize the value here and, of course, Uncle Sam, just like any beneficiary of these local services, ought to be paying a pro rata share.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. HALL].

Mr. HALL. Mr. Speaker, I rise in opposition to this bill, H.R. 4241, on the simple premise that it is admittedly unconstitutional and that nothing is as perpetual as death and taxes.

The committee report, all speakers, and the departmental reports have all said that this started originally as a temporary measure in 1955, and it has been continued in the wisdom of this body by 2-year spurts, ever since that time.

I am not unfamiliar with the impacted area school funds which has been stated to be analagous to the intent of this bill. Indeed, Mr. Speaker, I am familiar with the income from the Corps of Engineers and reclamation impoundments paid back to the various States on the 75-percent income bases for the use of the various counties.

The trouble is that once these temporary measures on taxation and arrogation of power related thereunto by the Federal Government are imposed, they are seldom removed.

I think further that in this time of a planned national deficit of over $29 billion and in a time of turmoil and of defense expenses and in a time of undeclared wars that perhaps instead of considering this surtax increase or reimposing, as was said in the well of this House this same day, the excise taxes that are being eliminated according to the will of the Congress, that we should consider ending this temporary legislation here and now.

In the landmark case of *McCulloch* v. *Maryland*, 4 Wheat. 316 (1819), Mr. Chief Justice Marshall laid down the constitutional principle that a State may not tax an instrumentality of the Federal Government. Subsequently, in *Clallam County* v. *U.S.* 263 U.S. 341 (1923) and in *Cleveland* v. *U.S.* 323, U.S. 329 (1945), the Court held that property owned by the United States is wholly immune to State taxation.

These cases uphold the broad rule of law mentioned in the committee report.

I think that this legislation is segmental and it is discriminatory tax legislation, regardless of how it evolved.

Mr. Speaker, I just refuse to believe that we are not collectively smart enough to correct any inequity of Federal centralized Government taxation overpowering or overcoming State taxation, including property taxes.

These block grants, these impacted area grants, these other devices may be well and good, but I submit that the Constitution should be changed if it is not correct rather than having temporary legislation perpetuated in this regard.

Mr. DON H. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. HALL. I yield to the gentleman.

Mr. DON H. CLAUSEN. Mr. Speaker, I rise in support of H.R. 4241 and also to compliment and associate myself with the remarks of the gentleman from Missouri, Mr. CURTIS.

The principle contained in this legislation is one of prudence and certainly realistic in its approach.

As written in the report:

> The law provides . . . the Government department having custody and control of the property shall pay to the appropriate State and local taxing authorities an amount equal to the real property tax which would be payable if the property were in the hands of a private citizen.

Under the Constitution, property owned by a Federal department or agency cannot be taxed by the States. This, in my judgment, has created one of the more serious problems facing our State and local political subdivisions, particularly in our Western States where 45 to 60 percent of the land is federally owned.

It has permitted Federal agencies and departments to actually acquire or hold on to unneeded lands without concern for the same tax liability that a private landowner must pay.

The Federal Government can provide a substitute for this restriction by special legislation such as H.R. 4241, whenever the Congress deems it desirable.

The major point I would like to make to my colleagues is that the principle contained in this bill should be considered on a more permanent basis.

We have been discussing the tax-sharing concept in great detail this year, which I have supported.

I sincerely believe legislation, containing this principle, should be passed by the Congress, where all federally owned properties were subjected to a payment in lieu of taxes, payable to the appropriate State and local taxing authorities. This would greatly assist these local political subdivisions in broadening their tax base, with the subsequent relief to the private property taxpayer whose burden has become intolerable.

I have been working on this type of legislation and intend to introduce it when the language is perfected.

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

Mr. HALL. I yield to the gentleman.

Mr. SKUBITZ. Mr. Speaker, I rise in support of H.R. 4241 which extends for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments.

Congress has seen fit to extend this legislation for 2-year intervals since its enactment in 1955. Under the Constitution, property owned by a Federal department or agency cannot be taxed by the States. However, the Federal Government may provide a substitute for the tax where the Congress deems it desirable.

These in-lieu-of-taxes payments provide important and necessary assistance to schools. In my congressional district, for example, the payments made by the Federal Government represent a substantial portion of the budget of the Derby, Kans., Unified District No. 260. Distributions also are made to other Sedgwick County schools in my district and those of my colleague, the gentleman from Kansas [Mr. SHRIVER] who represents the Fourth Congressional District.

In fiscal year 1966 a total of $783,107 was paid under this law to Sedgwick County, Kans. Derby public schools received $457,440 to augment its annual budget; $297,868 was distributed to other Sedgwick County schools; $16,005 to Riverside Township schools; and $17,674 to the State of Kansas.

These payments are made by the Department of Defense, under provisions of Public Law 388 of the 84th Congress, on Air Force Plant No. 13 in Sedgwick County, Kans., Air Force plant No. 13, leased to Boeing Aircraft Co., in 1966–67 taxable year made up $11,782,780 or a good one-third of the Derby district's ad valorem taxable base. The total district ad valorem taxable valuation was $33,474,974, Public Law 388—H.R. 4241—has paid the total mills levied on the Aire Force plant. The Derby Unified School District has received from these mills levied the following totals over the past 5 years:

Year:	
1962–63	$390,501
1963–64	454,876
1964–65	573,343
1965–66	457,440
1966–67	423,498

The Derby district's ad valorem taxation for schools is 36.718 mills on a one-third of actual property value tax base. The city of Derby with a population of 7,000 is a resident city. Ninety percent of the homes have been built within the last 10 years. No industry other than a very small manufacturing plant is in the city. Homes are carrying a heavy tax load. The total mill levy is now running in the 90-plus-mill category. Homes in the $18,000 actual value classification are now paying $560 per year ad valorem taxes. The elimination of Public Law 388—H.R. 4241—revenue to the Derby USD No. 260 would increase total ad valorem tax mill levy for schools an approximate 25 mills or to a total of 63 mills. To the average homeowner with homes valued from $15,000 to $18,000, an additional ad valorem tax load of $120 to $150, or to totals as high as $710 per year would be the rule.

For the average skilled worker, schoolteacher, or Air Force personnel who make up 90 percent of the Derby City population, such taxation would be prohibitive. The heavy tax level is now a deterrent for the location of industry in Derby.

The House passed an extension of this law during the second session of the 89th Congress. The law expired on December 31, 1966, and unless we take affirmative action now, further payments cannot be made to these school districts. We should remember that school budgets were developed and adopted for this year and even next year on the basis of these payments being made.

We must keep faith with the local taxpayers and school districts affected by this legislation. If in-lieu-of-taxes pay-

ments are to be discontinued, it should be done only after careful study which the distinguished chairman of the Government Operations Committee has pledged. The affected school districts should have time to find new revenues or to make necessary budgetary adjustments. In view of the considerable emphasis with the Congress and the administration have placed upon education programs, it is imperative that we fulfill this commitment to the children enrolled in schools in these areas.

Mr. REUSS. Mr. Speaker, I have no additional requests for time.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS. Mr. Speaker, I have asked for this additional time because in talking to the Forestry Service I discovered—and I did not make it clear—that in effect they do pay funds in the nature of "in lieu of taxes." There are various forms in which it is done. So do some of our other governmental agencies. It is not quite as clear cut as in connection with the impacted school area bill or in this bill now before the House. But there are various devices that are tantamount to this payment in lieu of real estate taxes. I wanted to make that clarification.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas [Mr. SHRIVER] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. SHRIVER. Mr. Speaker, last year the House of Representatives voted approval of a 2-year extension of Public Law 388 of the 84th Congress which provides in lieu of taxes payments to State and local taxing authorities on federally owned properties. However, the Senate did not take action on this legislation and it was allowed to expire on December 31, 1966.

Today we have an opportunity to extend the law for another 2 years which would permit further payments. On January 10, 1967, I introduced H.R. 1277 an identical bill to H.R. 4241 to provide for extension of the law for 2 years.

The Bureau of the Budget in a report dated March 10, 1967, forwarded its views on both my bill and H.R. 4241. It stated:

> Since failure to enact an extension would work possible hardship on the taxing jurisdictions, the Bureau of the Budget would not object to the enactment of either of these bills. However, we question whether the special payments for this limited group of properties should be continued beyond the end of 1968 since it would appear that the basic purpose of Public Law 84-388 of furnishing temporary relief to the local taxing authorities from an undue and unexpected burden has been accomplished.

Mr. Speaker, I have supported extension of this law since coming to Congress. Air Force Plant No. 13, which is used by the Boeing Co., is in my congressional district. In fiscal 1966, in lieu of taxes payments amounted to over $783,000 on this federally owned property.

Derby Unified School District No. 260, now located in the Fifth Congressional District, is heavily dependent upon this assistance to meet its present budgetary commitments. Last year this district received over $451,000 in in-lieu-of-taxes payments. Other distributions were made to the Sedgwick County High School fund and elementary school fund. Distributions also were made to the city of Wichita for elementary and high schools.

We should honor our commitment to these school districts and pass this 2-year extension. This 2-year period then could be utilized to conduct a careful study of further need for this program by the Committee on Government Operations. It also would permit local school districts, affected by the legislation, to consider in an orderly manner alternative revenue measures or adjustments in their budgets.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Wisconsin that the House suspend the rules and pass the bill H.R. 4241.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill H.R. 4241.

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

There was no objection.

RECENTLY ANNOUNCED FEDERAL RESERVE BOARD INTERPRETATION PERMITS UNDERWRITING OF "REVENUE" BONDS BY COMMERCIAL BANK SECURITIES "SATELLITES"—OUR FINANCIAL STRUCTURE

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

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

There was no objection.

Mr. PATMAN. Mr. Speaker, during the recent legal controversy over the underwriting of "revenue" bonds by national banks and State member banks, the Federal Reserve Board consistently took the position that the exemption for general obligation bonds from the prohibition against securities underwriting by banks contained in title 12 U.S.C. 24(7) did not extend to "revenue bonds."

While this section of our banking laws is not part of the Federal Reserve Act, nevertheless, the Board undertook to loudly voice its opposition to former Comptroller Saxon's more permissive attitude. The reason for the Board's willingness to interpret a provision applicable to national banks which would normally be the exclusive domain of the Comptroller of the Currency is apparently because the Federal Reserve Act itself provides that the limitations on securities underwriting by national banks shall apply also to State member banks.

As it turned out, a Federal court ruled last December that the exemption from the underwriting prohibition referred to above does not in fact extend to "revenue bonds" and that national banks and State member banks may not underwrite these securities.

It is most ironic, Mr. Speaker, perhaps downright astounding is a better term, that a recent legal interpretation by the Federal Reserve Board opens the door wide to unrestricted securities underwriting by banks through "satellites." Pursuant to a legal interpretation rendered with respect to First National City Bank's application to operate a mutual fund-type investment company, the Board announced at your Banking and Currency Committee hearings on March 15 that the prohibition against member bank affiliations with securities underwriters is no legal impediment to 60 percent of an underwriter's directors being officials of that bank. This precedent-shattering interpretation of section 20 of the Banking Act of 1933—12 U.S.C. 377—clearly implies that if member banks, including national banks, desire to engage in general underwriting of common stocks, preferred stocks, corporate bonds, as well as revenue bonds, then the Federal Reserve Act is no bar, provided it is done through a "satellite" setup. In fact, First National City Bank, through its satellite investment company operations, has already sold to the public several million dollars worth of shares. The Board claims that this investment operation by First National City Bank is actually part of the bank itself and therefore in no way conflicts with section 20, or section 32 of that same act which prohibits formal management interlocks between member banks and securities underwriters.

Personally, I strongly disagree with these interpretations. But even assuming that the Federal Reserve Board is correct in its interpretation that its "single entity" theory that the securities company is an arm of the bank and not in violation of sections 20 and 21, I do not see how it is earthly possible to avoid a clear violation of title 12 U.S.C. 24(7) which states in pertinent part that national banks—and State member banks—"shall not underwrite any issue of securities or stock." It would seem that if the Federal Reserve deemed it illegal under this section for member banks to underwrite revenue bonds directly, then the Board should likewise deem it illegal for member banks to underwrite equity securities directly as First National City Bank is now doing. Apparently, the Board considers the First National City Bank securities operation as part of the bank itself with respect to the prohibitions in sections 20 and 32, but as an indirect, affiliated relationship with respect to section 24(7) of title 12.

Mr. Speaker, what I have just described is an extreme example of bureaucratic confusion and self-contradiction, completely oblivious to and in disregard of the clear expression in the laws of congressional intent that commercial

banking and investment banking be kept separated except to the extremely narrow and limited extent set forth in the celebrated revenue bond decision of last December.

We shall simply have to wait and let the courts unravel this extremely complicated legal tangle created by the Federal Reserve Board. The case is now pending. And while I strongly disagree with the Board's legal conclusions, if in fact they are correct, then all national banks and State member banks may immediately proceed to set up satellite securities operations in the manner of First National City Bank and engage in the unrestricted underwriting of revenue bonds and all other types of securities. I would not be surprised to see a few banks jump in right now rather than wait for a final Supreme Court decision in the First National City Bank case which may be a year or more away.

ADM. THOMAS H. MOORER NAMED NATION'S TOP NAVAL OFFICER

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

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

There was no objection.

Mr. SELDEN. Mr. Speaker, I was pleased to learn over the weekend of the President's announcement of the future appointment of Adm. Thomas H. Moorer, U.S. Navy, to the highest military office of the Navy, that of Chief of Naval Operations.

One of the most distinguished officers in our Armed Forces, Admiral Moorer was born in Mount Willing, Ala., a small rural town in the south-central portion of the State on February 9, 1912. The son of the late Mrs.—Hulda Hill Hinson—Moorer and the late Dr. R. R. Moorer, he was graduated valedictorian of the class of 1927 from Cloverdale High School in nearby Montgomery at the age of 15. With an early interest in a technical career, he secured an appointment to Annapolis and, at the age of 17, entered the U.S. Naval Academy where he was graduated as ensign in June 1933.

His first assignments were aboard the cruisers U.S.S. *Salt Lake City* and U.S.S. *New Orleans*. Fascinated with the rapid development of naval aviation, Thomas Moorer became an aviation cadet at the Naval Air Station, Pensacola, Fla., one of the birthplaces of naval aviation, and in July 1936 won the gold wings of a naval aviator.

Appropriately, his first duty station as an aviator was aboard the Navy's first aircraft carrier, the U.S.S. *Langley*. Later he was assigned to fly from another almost equally famous ship, the U.S.S. *Lexington*, and, before the beginning of World War II, served aboard the famous *Big E*, the aircraft carrier U.S.S. *Enterprise*. As a patrol plane pilot based at Ford Island, Pearl Harbor, he was one of the few Navy pilots who managed to get his aircraft skyward to search for the attacking Japanese fleet.

Later in the war, during the 1942 Battle of the Java Sea, his patrol plane was shot down by a Japanese plane, and Lieutenant Moorer managed to land his blazing aircraft on the water, despite serious wounds to himself and his copilot. Lieutenant Moorer and his crew were rescued by a passing Philippine ship which was attacked and sunk later that same day by more Japanese aircraft. For his actions during these two engagements, Lieutenant Moorer won the Silver Star.

As the war continued, he won the Distinguished Flying Cross for organizing and flying a rescue mission evacuating wounded American soldiers from a Pacific island. Having flown his unarmed seaplane under the very shadow of Japanese guns, he landed near the island and took off with an extremely heavy load of wounded passengers.

Also during the war, the admiral contributed significantly to aerial antisubmarine warfare. As gunnery and tactical officer on the staff of the Commander Air Force Atlantic, he planned and supervised the development of tactics and doctrines for aircraft in antisubmarine warfare. For his efforts in this endeavor, he received the Legion of Merit.

Admiral Moorer was the first of his Academy class to attain the two-star rank—then three-star rank—and significantly, he was the first in his class and the youngest admiral ever to achieve four stars in peacetime.

In October 1962 Admiral Moorer took command of the U.S. 7th Fleet in the volatile Far East and 2 years later moved up to head the U.S. Pacific Fleet. As commander in chief of all Navy forces in the Pacific, he gained a reputation for a computerlike mind, great leadership, and dedication. Fellow officers said he knew where everything was and how it was working.

In contrast, he has a warmth of personality that one does not associate with the computer image. One officer said of Moorer:

> He'd be sitting on the bridge waiting for one of his pilots to come back who was late from a strike, and a sailor would bring him a cup of coffee. He never failed to smile, thank him, and even call him by name.

In April 1965 Admiral Moorer moved to the Atlantic as commander in chief of the Unified Atlantic Command, commander in chief of all Naval forces in the Atlantic, and Supreme Allied Commander, Atlantic, becoming NATO's top Navy man.

When Admiral Moorer took over the Atlantic Command, it meant moving from one crisis to another. While in the Pacific, he headed the Navy's Vietnam buildup and Tonkin Gulf action, and, moving to the Atlantic, he arrived just in time for the Dominican Republic crisis of 2 years ago. Admiral Moorer directed all U.S. military operations in the Dominican Republic.

With this assignment, Admiral Moorer became the only Navy admiral ever to command both the Pacific and Atlantic Fleets. Now the Navy's fourth-ranking admiral, he will become No. 1 upon assuming the duties of the Chief of Naval Operations. He will become the second youngest man ever to become Chief of Naval Operations during peacetime.

Perhaps one of the most interesting facets of Admiral Moorer's character is his unique ability to blend his "southern gentleman" diplomacy with leadership and military competence. This has been illustrated by his position as Supreme Allied Commander, Atlantic, where he has been internationally involved in the affairs of the 15 NATO nations. His ancestry is Dutch, and his manner obviously blends not only with his international associates but also with his U.S. Navy associates as well.

He has been primarily responsible for the smooth transfer of scores of Atlantic Fleet ships to the Pacific Fleet.

Admiral Moorer comes to the Navy's top position extremely well qualified. He has proven himself capable of performing the complicated tasks of coordinating vast military efforts between the Pentagon, U.S. Army, Air Force, and Marine leaders, European military leaders, and military and political leaders from the Caribbean to Asia.

Mr. Speaker, as a native son of Alabama, Admiral Moorer brings great honor to his State and Nation. All Alabamians are proud of this outstanding naval leader.

ON SUSPENSION OF EXCISE TAX REDUCTIONS

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

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

There was no objection.

Mr. VANIK. Mr. Speaker, by legislation adopted by Congress in 1965 and revised in 1966, the excise tax on passenger automobiles will be reduced from 7 percent to 2 percent on April 1, 1968, and then to 1 percent on January 1, 1969. The excise tax on general and toll telephone service presently at the rate of 10 percent is scheduled to be reduced to 1 percent on April 1, 1968, and repealed completely on January 1, 1969.

At the time these excise taxes were reduced, the principal argument for their elimination was premised on the fact that these were wartime excise taxes and no war condition existed. Since this action by the Congress, the situation has been entirely reversed and the Nation is now confronted with the problem of conducting a major struggle in Southeast Asia in addition to preserving and maintaining our defenses throughout the world. From all indications, these obligations will entail deficit spending possibly in the area of $29 billion in the current fiscal year.

In view of this unprecedented deficit, it is unthinkable that the Congress of the United States should permit tax reductions to take place and increase the size of the deficit.

The reduction of the telephone tax scheduled for April 1, 1968, will result in a Treasury loss of almost $1 billion per year on an annual basis. The reduction of the automobile excise tax will involve a Treasury loss at an annual rate of $1

billion per year which will rise to $1½ billion per year after January 1, 1969.

In view of the deficit it seems extremely ridiculous for the Congress of the United States to permit a $2 to $2½ billion Treasury loss at this time. These excise taxes were originally imposed as wartime necessities. The conditions of that justification are reinstated today. The abatement of these excise taxes can certainly be deferred until world tensions ease and the reduction of military expenditures make it again a feasible action.

It seems to me that too much of the obligation of the war in Vietnam rests upon the military personnel who have been dispacted to action in this theater. At home, we are making no obvious sacrifice. While we postpone the burden of debt repayment upon future generations and those military men in Vietnam who survive the conflict, we deny ourselves nothing.

It seems to me that prudence at this moment dictates that we in Congress, charged with the responsibility of allocating the burden of our worldwide commitments, recognize the need at this hour for bringing Treasury receipts more in line with the expenditures of our Government. The suspension of the contemplated tax reduction in the telephone tax and the automobile excise tax is a good place to begin.

I am, therefore, introducing legislation toward this goal and hope for its early consideration by the Congress.

BUSINESS FAVORS HECHLER POSTAL RATE BILL

Mr. HECHLER of West Virginia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include certain tables.

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

There was no objection.

Mr. HECHLER of West Virginia. Mr. Speaker, I call attention to the fact that the National Federation of Independent Business has just completed a nationwide poll of its members indicating that 82 percent of the Nation's independent business proprietors support H.R. 99, my bill to provide a steep increase in postal rates on third-class mail. In its official statement announcing the results of this poll, which is being released today, the National Federation of Independent Business indicated that the support for my bill was by a "surprising majority."

The statement went on to indicate:

It has long been held that third-class mail is a mainstay of the advertising activities of smaller business firms, thus the heavy support for raising the rates on this class is considered to be somewhat of a surprise.

The following pro and con arguments for H.R. 99 were listed in making the poll:

1. Argument for H.R. 99: Proponents note that the Post Office will operate at a $1.2 billion loss for fiscal 1967. Much third-class mail is really "junk mail", unwanted, unread, and unpaid for. The current rates are so low that only 60 percent of the cost of delivery is covered by the current rates. The cost of first-class mail is covered over 100 percent of the 5-cent stamp. Why should the small businessman and every other taxpayer pay 40 percent of the cost of third-class mail? When an advertiser places an ad in the newspaper, radio, TV, etc., he pays the full cost. Why not here? Besides, the rate hike will unburden the post office from the avalanche of mail.

2. Argument against H.R. 99: Opponents of the proposal note that it could have a very disastrous effect of some small businesses. Most bulk rate third-class mail is now mailed at 2⅞ cents a piece. Under this bill, if enacted, third-class rates would be raised over 50 percent. This would mean a 50 percent increase in overhead for all business using third-class mail . . . and some necessarily use quite a lot. Direct mail outlets, service outlets, non-profit organizations, etc., will be adversely affected by this bill. Opponents claim that 4,000,000 people who make their livelihood through the direct mail industry will be in danger of losing their jobs if this bill becomes law.

Mr. Speaker, under unanimous consent, I include the full text of the press release of the National Federation of Independent Business:

THE BRIEF FACTS

There is before the Congress bill H.R. 99 by Rep. Ken Hechler, West Virginia, to raise postal rates on third-class mail slightly more than 50 per cent, which is now 2⅞ cents per piece when mailed in bulk. This proposal, submitted to a nationwide vote by the Federation finds 82 per cent in favor, 15 per cent opposed, with 3 per cent undecided.

By a rather surprising majority, 82 per cent of the nation's independent business proprietors favor increasing the rates for third-class mail.

This is shown in a nationwide vote just completed by the National Federation of Independent business on a bill pending in the Congress by Representative Ken Hechler, West Virginia, which would increase present rates on third-class mail by slightly more than 50 per cent. Currently, the rate on bulk mailing of third-class is 2⅞ cents per piece.

The vote shows only 15 per cent opposed, with 3 per cent undecided.

Proponents of the measure argue that while the costs of first-class mail are met completely by the present 5 cent rate, third-class mail is handled at rates which cover only 60 per cent of the cost of delivery.

It has long been held that third-class mail is the mainstay of the advertising activities of smaller business firms, thus the heavy support for raising the rates on this class is considered to be somewhat of a surprise.

State tabulation follows:

State breakdown figures

[This bill would increase postal rates on 3d-class mail]

State	Percent in favor	Percent against	Percent Undecided
Alabama	78	16	6
Alaska	93	7	
Arizona	81	14	5
Arkansas	79	19	2
California	85	13	2
Colorado	86	9	5
Connecticut	82	11	7
Delaware	83	15	2
Florida	82	13	5
Georgia	76	19	5
Hawaii	70	23	7
Idaho	83	13	4
Illinois	80	16	4
Indiana	84	14	4
Iowa	80	16	2
Kansas	79	19	2
Kentucky	81	15	4
Louisiana	78	17	5
Maine	70	26	4
Maryland	83	13	4
Massachusetts	82	15	3
Michigan	81	14	5
Minnesota	79	18	3
Mississippi	84	15	1
Missouri	79	18	3

State breakdown figures—Continued

[This bill would increase postal rates on 3d-class mail]

State	Percent in favor	Percent against	Percent Undecided
Montana	83	14	3
Nebraska	80	18	2
Nevada	88	9	3
New Hampshire	84	16	
New Jersey	80	15	5
New Mexico	82	17	1
New York	80	16	4
North Carolina	83	13	4
North Dakota	73	23	4
Ohio	83	15	2
Oklahoma	79	18	3
Oregon	83	13	4
Pennsylvania	79	17	4
Rhode Island	100		
South Carolina	77	15	8
South Dakota	80	20	
Tennessee	80	17	3
Texas	83	15	2
Utah	83	13	4
Vermont	81	19	
Virginia	79	18	3
Washington	83	15	2
Washington, D.C.	93	7	
West Virginia	92	8	
Wisconsin	82	15	3
Wyoming	82	18	

Mr. Speaker, I am really gratified by the unusually large percentage of support for my third-class postal rate bill from many people in all walks of life. The lobbyists for low rates on "junk mail" have simply misread the temper of the American people. The lobbyists have tried to convey the impression that I am wrecking business, and throwing people on the welfare rolls, simply by asking that these advertisers-by-mail pay their way like everybody else does. The results of the National Federation of Independent Business Poll show conclusively that the American businessman, who is and should be the strongest defender of the free enterprise system, does not fall for this propaganda. Business men have voted solidly in favor of requiring third-class mailers to pay what it costs the Post Office Department to deliver their advertising. They have shown that they don't believe in forcing the American taxpayer to subsidize a big profitmaking business by helping to pay 40 percent of its postage rates.

I am particularly pleased that West Virginia businessmen have voted in such overwhelming numbers in support of my bill. The fact that West Virginians are 92 percent in favor of my bill, as against 82 percent throughout the Nation, clearly means that West Virginia business men are 10 percent smarter than the national average.

IMMEDIATE UNITED STATES-SOVIET SUMMIT ON MIDEAST; RESOLUTION FOR FRONTIER GUARANTEES AS A PLAN OF NEGOTIATION

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

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

There was no objection.

Mr. HORTON. Mr. Speaker, on January 16, of this year I spoke to my colleagues in the House on the impending danger of flareup in the Middle East. On

that day, nearly 5 months ago, I introduced House Concurrent Resolution 64 urging immediate steps toward a joint guarantee of frontiers in that area by the United States and the Soviet Union.

I want briefly to recall, for my colleagues, the key thought of my address on the floor on that day.

> We cannot wait until the day that bullets replace the blistering charges and countercharges which have been regularly exchanged across frontiers. It is time that our Nation took affirmative action to soften the tensions in this area. . . . It is important that we not allow Israel to be pushed into a war of face-saving or a war to defend her territory against intermittent slaughter. One way we can ease this pressure is to put world opinion squarely behind maintaining the territorial status-quo in the Middle-East. A frontier guarantee agreement between the United States and the Soviet Union would have this effect; but we must act quickly if we are to succeed.

Mr. Speaker, the horrible eventuality I feared would happen 5 months ago occurred early this morning. While, in the interim period, our Ambassador to the United Nations and our President have taken steps in the course of normal diplomatic channels to attempt prevention of what has occurred, normal channels are no longer adequate to prevent a real disaster, perhaps of worldwide scope.

As I urged in House Concurrent Resolution 64, I again urge today that we seek immediate agreement with Russia and other great powers, establishing and enforcing peace and territorial integrity for all Mideast countries.

But at this late and unhappy hour, extraordinary steps must be taken to accomplish even a cease-fire in the eastern Mediterranean. I urge all of my colleagues in this House and in the Senate to join me in calling on our President to personally and immediately offer to meet with the highest officials of the Soviet Union and the other great powers, to begin working out a solution to this tragedy from the highest level.

NATIONAL FLAG WEEK

Mr. SMITH of California. 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 pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SMITH of California. Mr. Speaker, the 7 days beginning next Sunday, June 11, will mark the second annual commemoration of National Flag Week. I am most grateful to this body, to the Senate, and to the President for their actions last year in approving my joint resolution establishing the week in which Flag Day, June 14, occurs as National Flag Week.

This, of course, is a relatively new commemoration in the history of our beloved country, but its roots are secured in a long-ago date. June 14, 1967, will mark the 190th anniversary of the adoption by the Continental Congress of the Stars and Stripes as the official flag of the United States of America—June 14, 1777.

The principal reason Congress and the President approved my proposal to extend Flag Day into Flag Week was, in fact, a rather practical one. It often happens, of course, that June 14 falls on a Saturday or Sunday, when most businesses, offices, and industrial plants are not open and therefore not able to display Old Glory, as they would like to. The same was true of service clubs, which meet only once a week and which, by tradition, like to observe Flag Day with a club program.

Now all these establishments and organizations may observe Flag Day on any day of Flag Week or, for that matter, can display our national banner throughout that week, which was one hoped-for development that I had in mind in submitting my joint resolution to the 89th Congress.

But Flag Week has a far greater meaning and significance than any justification based on such purely practical reasons. This is so because of all our flag's symbolism in the American heritage. Our flag is the Declaration of Independence. It is the Constitution, and all the freedom and liberty embodied therein. Our flag is the Star Spangled Banner of Francis Scott Key and Fort McHenry. It is the Union itself, held together at Vicksburg, Gettysburg, and Appomattox. It is Admiral Dewey at Manila Bay and Teddy Roosevelt on San Juan Hill. It is the doughboys in the muddy trenches of France in 1917–18. It is Guadalcanal, Tarawa, Iwo Jima, Anzio, and the Normandy beaches. It is Korea and today it is Vietnam.

Mr. Speaker, it seems to me that now, as perhaps never before, Americans have occasion to demonstrate their solid support of our fighting men by displaying the Stars and Stripes—by the millions, throughout the length and breadth of this land, during this second annual National Flag Week. Nothing, in my opinion, could demonstrate more eloquently or forcibly the unity of the American people in their resistance to the threat to their security and freedom that is posed by the forces of aggression in this critical time of battlefield strife.

Let there be such a display of the red, white, and blue next week as to dispel for all the world to see, all talk of any lack of resolve on the part of the American people to see the present struggle through to an honorable and successful conclusion.

THE EXPLOSIVE MIDDLE EAST

Mr. CONTE. 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 pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONTE. Mr. Speaker, this morning the thing we have dreaded most in the Middle East became a fearful reality. Open fighting has broken out between armed forces of Egypt and Israel. Thus, the long feared and postponed inevitability in the Middle East has occurred, and the peace of the world is once again placed in jeopardy.

The responsibility immediately thrust upon the world and certainly upon the United States is to bring the situation between Israel and the Arab Republic quickly and permanently under control. I join in the fervent prayer and fond hope that the United Nations can and will assume the necessary leadership and will devise the means to head off another downward plunge for civilization.

I will, of course, support every effort of the United Nations toward this end, as indeed I have throughout its history.

I have been to the Middle East and to other parts of the world where the U.N., from time to time, has stood as the only barrier between hostile interests and has prevented the two from clashing and setting off the inevitable explosion. I have seen the effectiveness of the U.N. peacekeeping in the Middle East; have seen the tremendous respect with which it has been held by both the Arab Republic and the Israel Government.

And I was deeply disappointed and filled with a sense of grave foreboding when that force was summarily withdrawn from the frontiers of Egypt and Israel a week or two ago. The barrier was thus removed. The two forces were permitted to mix, and the inevitable result is now at hand.

I can only deplore the naive optimism of the Secretary General who so quickly withdrew the only effective deterrent to a Middle East war in the apparent belief that Egypt and Israel could resolve their differences peacefully without the influence of a third party. It behooves him now to move with even greater swiftness and determination to prevent the conflagration from engulfing the entire world.

The commitments of the United States to uphold and safeguard the national and territorial integrity of Israel are clear. We are the moral and legal ally of Israel in defense against territorial aggressors. We must and do stand ready with unilateral military assistance in behalf of the Israelis.

However, the Middle East crisis cannot and must not be considered a unilateral crusade by the United States. Peace and stability in the Middle East are essential to world peace, therefore it is a world problem.

The United States should make every effort to mount an effective multilateral drive toward a quick and permanent end to the fighting. If we cannot secure it through the U.N., then we should certainly turn to our other allies such as Great Britain and France. Their stake is fully as great as ours. Moreover, their unilateral commitments in behalf of Israel are just as binding as ours. Unilateral action by any world power must be considered only as an absolute last resort. Military and diplomatic action should be mounted in concert with other nations if an effective and lasting solution to the Arab-Israel dispute is to be implemented.

LACK OF ADEQUATE LAWS TO COVER TREASONOUS AND SEDITIOUS UTTERANCES?

Mr. HÉBERT. Mr. Speaker, I ask unanimous consent to extend my 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 Louisiana?

There was no objection.

Mr. HÉBERT. Mr. Speaker, I have had many occasions in the past to pay tribute to Lt. Gen. Arthur G. Trudeau, a former chief of Army Intelligence. I am proud to have him as a friend.

In uniform he was one of our great Americans. In mufti he remains a great American. I was interested recently when I read an Associated Press dispatch quoting General Trudeau as raising the question of lack of adequate laws to cover treasonous and seditious utterances by some people, as well as demonstrations which incite to riot in violation of the law.

If the general's observations were not so tragic, it would be amusing.

Has the general not gotten the word yet from the Department of Justice, who says it is most difficult to write adequate laws to protect this country? And if the general has not gotten the word, I am directing his attention to the following colloquy:

(From raw hearings on the draft before House Armed Services Committee, May 5, 1967, and a part of an exchange between the distinguished chairman from South Carolina and Fred Vinson, Jr., Assistant Attorney General of the United States. The emphasis is mine. P. 880, lines 11–25; p. 881, lines 1–11.)

The CHAIRMAN. Have you any advice to give the committee whereby we can strengthen the law in this area as it affects the faithful performance of the carrying out of the Selective Service Act? Because if carried to its logical conclusion, if one were persuasive enough he could dissuade all young men not to register. Then where would you be?

Mr. VINSON. Well, I am convinced it would take a more persuasive man than now walks the earth, because actually—and I think our Selective Service figures demonstrate that the vast bulk of our young men are not only ready but willing to serve their country.

The CHAIRMAN. That is beside the point. That goes down to motivation, their training on their mother's knee and in schools and communities. I am talking about the actions of any one individual. *What you are telling us, under the decisions of the Supreme Court now there is no way you can indict any individual who counsels against registering for service to his country under the provisions of this or any other law on the statute books of the United States? Is this what you are telling us?*

Mr. VINSON. *Well, basically I suppose what I am saying is that no legislation can override the First Amendment.* The First Amendment rights, however are not absolute. This again gets back to the idea expressed by Holmes in the area of proximity.

Now I would like to direct the attention of my colleagues to the article quoting General Trudeau:

EX-ARMY SPY BOSS TESTIFIES: "U.S. WAR PROTEST CHIEFS GET ORDERS FROM MOSCOW"

WASHINGTON.—Retired Lt. Gen. Arthur G. Trudeau, a former chief of Army intelligence, said today the leaders of anti-Vietnam war demonstrations in this country are taking orders from Moscow.

And he told the Senate internal security subcommittee that a Soviet announcement last week that Yurd Andropov has been put at the head of the KGB, the Soviet secret police, bodes more trouble for the United States.

"This is not a change which affects the U.S.S.R. internally only but is of extreme importance to the Communists' main target, the United States," said Trudeau.

"The KGB has been upgraded," he testified. "We can expect more espionage, more sabotage, more demonstrations and bolder actions by Communist agents, directed centrally from Moscow and aimed primarily at Washington."

Trudeau, who now makes his home in Pittsburgh, is president of the Gulf Research and Deveopment Co. He retired from the Army in 1962 and was chief of intelligence in 1953–55.

He warned that "the Communists and other subversive elements are well aware that our society cannot survive if we continue to tolerate increasing disorders."

"Present events have gone far beyond the right to dissent of a traditional display in order to right a grievance," Trudeau said.

"Stopping of troop trains, sitins, burning of draft cards, burning the American flag, displaying the Viet Cong flag and other so-called fight-for-peace demonstrations are acts at least bordering on treason," he said.

The retired general said Congress should pass tighter laws declaring such acts as flag-burning a federal crime.

And he said that "if, in fact, a gap does exist between treason and giving aid and comfort to the enemy, such as the Viet Cong, then this should be filled with a new federal law just below treason."

He said he could state on the basis of his military assignments that "nearly all of the radical student organizations, the so-called pacifist organizations, and civil rights groups are honeycombed with Communists."

Trudeau also testified that he could state unequivocally that "the demonstrators in the streets of the cities of the United States are a force in direct support of the Viet Cong killing our troops in Vietnam."

And further, he said, "the leaders are taking orders and being supplied from the identical high command—the Central Committee of the Communist Party of the U.S.S.R." He said he was sure many demonstrators were unaware of this.

In the ultimate, it all boils down to one simple fact. The Department of Justice refuses to discharge its responsibility and duty in this area.

ADDRESS OF UNDER SECRETARY OF STATE KATZENBACH AT ADDIS ABABA, ETHIOPIA

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, it is with pleasure that I announce to the House the conclusion of a visit to Africa by Under Secretary of State Nicholas deB. Katzenbach that was most helpful in deepening the ties of interest and understanding of our country and the countries of Africa. By unanimous consent I am extending my remarks to include the text of Secretary Katzenbach's address at Haile Selassie I University in Addis Ababa, Ethiopia, on May 26, 1967, as follows:

AMERICA AND AFRICA: THE NEW WORLD AND THE NEWER WORLD

President Kassa, Excellencies, Ladies and Gentlemen:

In the Congo, there is a wise proverb: "Let him speak who has seen with his eyes."

It is so with this great continent. In the United States, one can imagine Africa from the stereotypes generated by films and zoos and masks in museums. One can hear about Africa from a growing number of Americans with ties here. One can read about Africa from a swelling number of books. But none of this data can produce more than a Mercator projection. None of it can convey the vitality of Africa—the equal vitality of old villages and new cities. None of it can convey the diversity and spirit of your people. I can say this because, heeding the proverb, I have come to see with my own eyes.

I cannot now pretend to speak with great insight. A tour of 12 countries in 17 days can provide no more than a taste, a suggestion. But I do wish to share with you a few observations as this full and moving experience draws to a close.

It is fitting that I do so at this time, in this city, and in this place. It is a fitting time for yesterday was the fourth anniversary of the creation of the Organization of African Unity—a date whose importance is already plain and which will, I believe, become even clearer in coming years. And today is the first anniversary of President Johnson's memorable address on Africa, an expression of congratulation and confidence which he has asked me to renew to the officers and member nations of the OAU.

Equally, this is a fitting place. As one who was closely involved for five years in America's great effort to make law the instrument of full equality, I can have only the warmest feelings for your law school and for its seminal effect on legal education throughout Africa.

I expressed the hope that it would be possible to come here to offer some reflections on Africa because to talk of Africa is to talk of change and to talk of youth. My words may have some interest in the United States. They may have some significance to political leaders in Africa. But it is the young people of Africa—you and the generation immediately to follow—who will determine the outcome. It is you who are the most important audience of all.

It has been observed that travelers are justified in describing what they have seen and need not rise to generalization. I might be greatly tempted to take that observation to heart, for we have seen magnificent things. Yet it is impossible to settle for mere description. The contrasts are still more startling than the sights.

In West Africa, we saw the sun set on an uninhabited rain forest beach just as it might have ten centuries ago. But only a few miles away, in Dakar, we saw a spectacular urban renewal project housing 60,000.

In Zambia, we saw men pulling wooden carts to market. But only a few miles away, we saw giant cargo planes unloading barrels of oil and taking on tons of copper ingots, all within 12 minutes.

In Ghana, we saw a village woman in a red loincloth cooking over an open fire. But only a few yards away, we saw energy pouring out of the giant orange penstocks of the Volta River Dam.

We have seen, in short, the old Africa and the new.

If the changes that are taking place are far-reaching, they are not unique to this continent. The whole world feels the power of revolutionary change. One level is external: the change in international relations

impelled by the headlong technological advances of the past few decades. A second level is internal: the attempts by new nations to find appropriate institutions and responses to meet the needs of their peoples.

Change is all about us and yet we are only dimly aware of the forces that it unleashes. The giant Volta River Dam at Akosombo means power, industry, and economic strength. But consider the problems that have come with it:

The vast reservoir behind the dam has displaced thousands of families.

After generations of fishing in a swift river, those who remain must now learn to catch lake fish.

Medical specialists brood about which new diseases will be bred in the now still water.

On a larger scale, we send men into space. We communicate instantaneously with the most distant nations by satellites. His Imperial Majesty this year has twice flown to North America more easily than he traveled to the provinces not many years ago. Yet we are still trying to find a way to bring something so fundamental as human dignity and self-determination to the Africans in the southern part of this continent.

This is a cause in which we stand with you, conscience to conscience. Not for economic gain, not for political advantage, not for cosmetic appearance, but because we share the certainty once expressed by President Kaunda: "We shall win because we are right."

As striking as these contrasts in change may be, I find myself impressed by some striking parallels between the new world of America and the newer world of Africa.

I do not mean America of the moment, for that is a deceptive model. First, America may be wealthy, America may be advanced, America may be a world power, but America also is troubled by internal problems. Like Africa, like other parts of the world, my country encompasses a great underdeveloped country, an underdeveloped America of citizens who are poor, who often are ignorant, and who for too long have been ignored. President Johnson and his administration have made the uplifting of these people a prime domestic goal, but that goal cannot soon be achieved.

Second, America of today is a deceptive model precisely because it is the developed America of today. Our concern, our devoted concern here, is the Africa of tomorrow.

What do I mean, then, by striking parallels between America and Africa? I mean parallels in development—the factors in the growth of my country which have relevance to the growth of the new nations of your continent.

Let me focus on three of these factors.

The first is education, and I would like to begin by reading you a passage I find unusually descriptive: ". . . What sphere of patriotic exertion is left open for the lover of his country, but the sphere of improving the rising generation through the instrumentality of a more perfect and efficient system for their education?

"We call our fathers patriots because they loved their country and made sacrifices for its welfare, but what was their country? A vast tract of wilderness did not constitute it. It was not unconscious, sentient plains, or rivers, or mountains, however majestically they might spread or flow or shine beneath the canopy of heaven. Their country was chiefly their descendants, the human beings who roam these vast domains, the sentient, conscious natures which were to live here—and living, to enjoy or suffer."

These words were written in 1842 by Horace Mann, an American, and a leading exponent of public education. They have relevance to Africa now. Efforts like his were successful. The United States initiated widespread free public education. Was it merely coincidence that my country's mushrooming rush to industrial power began approximately 15 years later?

The importance Africa places on education is evident from statistics. Of 53 African universities, 30 have been created since 1952 and 11 since 1961. The number of all students on this continent has nearly tripled in 15 years, from 9 million in 1950 to 27,000,000 today. The number of university students has gone from 70,000 in 1950 to more than 250,000.

Yet it is impossible to take too much cheer from such statistics, for there are other figures which suggest the enormity of the job ahead. University enrollment may be 180,000 greater than it was fifteen years ago. Yet at the same time, the number of university-aged Africans has increased by three million in just the past five years.

A second parallel between developing Africa and America when it was developing is transportation.

America began as a nation of 4,000,000, largely settled, like many of your countries, on the coastal fringe of a vast land, and containing vast mineral and agricultural treasure.

Unlocking that wilderness was an immediate goal. Even before the steam engine had been invented, we had completed what was then a national road. When the railroad did come, it became an object of high priority.

In 1830, America had 23 miles of railroads. Twenty-five years later, there were 18,000 miles of railroads. Five years after that, in 1860, there were 30,000 miles.

I believe it is fair to say that from 1840 until the turn of the century, transportation—the railroad—was the key to American success.

In 1869 came an historic date that symbolizes much of our past and your future—the completion of a trans-continental railroad line—a line that tied a vast nation together; a line that allowed ore, wheat, and timber to be taken out; a line that allowed men to come in.

"The railroad," an American historian has written, "tied the North and West into one massive free economy. It did much more. It tied business to politics and both to the life of the individual in a way unknown in America before."

What these words say about America seem to me to have great force on this continent.

The parallel with present-day Africa is indeed striking. The new nations of this continent require circulatory lifeblood, allowing the transport of your natural wealth and the ready infusion of human resources to help develop it.

In the Africa of the late 20th century, transportation might well center on highways or even air routes rather than railroads. But the principle—and the potential—are the same. Finally, let me turn to agriculture and natural resources. When America was settled, there were vast expanses of fertile but inaccessible land. There were hidden treasures in minerals. It was the railroad that opened up those riches to development. As transportation improved, young America could go beyond farming for subsistence and become a source of food for others; our Midwest was built on a foundation of wheat for the world.

The fertility provided by nature and the accessibility provided by technology were supported by another factor: extensive government-private cooperation to improve both the production and the lives of our farm population.

One great advance was an act of Congress of 1862 providing for colleges to promote knowledge of "agricultural and mechanical arts." In short order, such institutions were established in almost every eligible state.

These did more than train young men and women in needed skills. Through extension centers, they went out to the people. Ultimately, through resident agents in each county, they reached out to virtually every part of our agricultural areas. These county agents brought practical advice as well as technical and scientific information—not only to farmers but also to their wives and families.

The parallels of mineral and agricultural potential in this continent are plain. There is great need for information, tutelage and advice at the village level. There is a need at least as great for instruction and assistance in marketing and distribution. Here in Ethiopia, the Agricultural High School at Jimma and the College of Agricultural at Alemaya are pioneering efforts on a fruitful frontier. For Africa could become an agricultural heartland for the world, given your unlimited potential for production. That is a potential for more than one-crop economies, for a wide diversity of crops, some with industrial applicability. And it is a potential for more than agricultural production, for it could readily lead to the development of the food-processing industry.

However appropriate these parallels may be, there is a basic defect in each of them: America was able to devise these answers to development alone and at its own pace for two reasons—reasons which make it possible for Americans to be thankful that our thirteen colonies won their independence in a simpler day.

One of these reasons is that we came to independence at a time when it was possible for us to be truly independent—to hold ourselves aloof from the rest of the world.

Though we were impoverished, we were left alone to build a nation and find our destiny. For decades, we found a watchword in Washington's farewell address: "It is our true policy to steer clear of permanent alliances, with any portion of the foreign world."

For us, non-alignment was an easy task.

The second reason is that, unlike some thirty new African nations, we became independent in a time when technological change was slow and slight.

Our arms were rudimentary, but they fired as well—sometimes better—than the Naval cannon and muskets of imperial Britain.

Our economy was simple, but then so was that of every country, in a time when concepts like gross national product were a century away from definition.

And our industry was primitive—for there was no other sort of industry. It was conducted on spinning wheels and blacksmiths' anvils. The world had not yet even dreamed of megatons or megawatts, aluminum smelters of titanium airplanes.

In short, newly independent America had time—time to explore itself, time to educate itself, time to learn new vocabularies and new technologies as they were devised.

By contrast, the new nations of Africa have been called to the main stage immediately—to go from the spear to the slide rule, from disunited tribes to the United Nations virtually in months.

Can this transition be made with the speed which the influential young men and women of Africa believe necessary?

That is not a question for an outsider to answer. It is a central question in virtually every new African nation. Their answers undoubtedly will vary. I would suggest, however, that there are two irreducible factors to which we must reconcile ourselves, factors which must limit the telescoping of time on this continent.

The first of these factors is human capabilities. The education of intelligent men and women in complex skills can be improved in quality. It can be enlarged in quantity. But no amount of good motives, nor wealth, nor wisdom can, without the passage of time, produce the pool of skilled and educated African men and women who are required to manage the affairs and fuel the spirit of a modern nation.

You here in this eminent institution will be frontiersmen in that effort. But not until your numbers swell-as surely they will—can this country and your sister countries on this

continent find the manpower with which to generate widespread growth.

The second factor to which I believe we must reconcile ourselves follows the first. It is suggested occasionally that the development time gap could be overcome if only developed nations like the United States would more fully meet responsibilities of assistance to the underdeveloped world.

As a son of a free country and as a friend of Africa, I am unable to accept this case. It is theoretically possible for major industrial powers to send huge sums and corps of technicians to build and operate factories, or transportation systems, or railroads. And by doing so, they would help build nations in Africa. But they would not be African nations in Africa. As we oppose neo-colonialism, so should we oppose such a false solution.

President Johnson has observed accurately that development cannot be exported. And President Nyerere has said of his people, they "recognize that the task of economic development is a long and heavy one . . . our people do not believe that it is better to be a wealthy slave than a poor free man."

By no means do I wish to suggest that African nations can avoid losing their independence only by refusing outside assistance. Nor do I wish to suggest that already-developed nations should not assist those parts of humanity who are coming late to political manhood. What I do believe is that, in the interests both of developed and developing nations, developmental assistance must be carefully offered—and it must be carefully received.

In his speech on Africa a year ago, President Johnson outlined a policy for such assistance, noting that "The world has now reached a stage where some of the most effective means of economic growth can best be achieved in large units commanding large resources and large markets. Most nation-states are too small, when acting alone, to assure the welfare of all of their people."

This is the principle which underlies our present policy of aid for Africa—cooperation among donors and cooperation among recipients.

This is not a new philosophy for us. Nearly a third of the aid we have provided in the past has been for projects benefitting not merely one country but several.

We are assisting river development in the Senegal River, Niger River and Lake Chad basins. We are working with an organization of 14 Central African nations to combat measles, smallpox, rinderpest and bovine pneumonia. In this decade, Ethiopia and four other African countries have combined with American and British support, to form the Desert Locust Control Authority, whose efforts have been completely successful. We have helped to establish advanced education institutions, like the regional heavy equipment training center in Togo.

Neither is such a cooperative policy new in the relations of other countries. The nations of Western Europe have made striking progress in the past decade toward a common market. The leaders of Latin America have just pledged themselves to work toward a similar goal.

The aim of our cooperative policy is simple: maximum benefit for all the new nations of Africa. We do not seek to dictate development priorities to recipient countries. The fact is that virtually every nation has the same developmental priorities to begin with—the same sort of priorities which I described as paralleling the experience of my country—education, transportation, and agricultural and natural resource development.

Nor is it our aim to require rigid cooperative groupings. The new nations of Africa have varying links to each other. River development may run North and South; a railroad may benefit two nations; a public health program may involve 14.

We shall look with particular interest for programs organized by existing multilateral organizations—the World Bank, the African Development Bank, ECA, and the OAU. At the same time, we will welcome project proposals devised directly by the participating countries. Indeed, the competition among them may well serve as a spur and thus itself help bring the economies of scale to African development.

Even beyond flexibility, beyond economies of scale, beyond the more beneficial use of developmental assistance, our new emphasis on cooperation among donors and cooperation among recipients can have another result, a result which may, in the end, be the most important of all. It can serve as an additional impulse toward African unity.

In my various conversations across this continent I have found unity a goal that is widely shared, and a goal that is particularly prized by young people. They see their young countries struggling against the arbitrary divisions inflicted by the colonial period—divisions created by inherited boundaries; divisions created by the imposition of different Western languages; divisions created by different levels of colonial development.

It is this aspect of cooperative development that is to me the most hopeful and the most exciting. For if it is conducted among groupings established by the recipient countries themselves, it seems to me that it can be an important force toward the eventual conquest of those arbitrary divisions.

We believe, in short, that this policy of coordination among donors and cooperation among recipients is sound. We hope it will be successful. But even if it succeeds beyond our wildest expectations it can only hasten—and not bring about—the emergence of Africa as a community of strong and confident nations, able and willing to make their contribution to the welfare of their people and of the world.

And that work, that very difficult and patient and inspired and patriotic work must be yours. The present leaders of Africa have begun that work with wisdom and courage. It will be in your lifetimes—and indeed because of your lifetimes—that this work will come to fruition, that the land, and the people who animate the land, and the spirit that animates your people will make their mighty contribution to the world.

I think of the words of President Senghor, describing the spirit Africa can give to the world:

"For who would teach rhythm to a dead world of machines and guns?

"Who would give the cry of joy to wake the dead and the bereaved at the dawn?

"Say, who would give back the memory of life to the man whose hopes are smashed?"

I see, much more clearly now, what he means, Africa will not be easily mastered. One has only to see the struggle of wresting crops from difficult soil and hostile climate to know that it has taken people of character to make something of the land. It has taken courage, tenacity, humor, creativity—in short, spirit.

What has impressed me, then, about Africa is not so much its vastness, nor its resource potential, nor its beauty, but its people.

The foundation of Africa is the spirit of its people.

Africa is on the move. I knew that before I came, now I believe it.

INTEROCEANIC CANAL PROBLEM IN THE AMERICAS

Mr. RARICK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

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

There was no objection.

Mr. RARICK. Mr. Speaker, as a Member of the Congress from Louisiana, a State with large shipping activities and vital connections with the Panama Canal, I have watched with the greatest interest and increasing concern the succession of crises in recent years at Panama, which have serious implications for interoceanic commerce and the security of the Western Hemisphere.

During this time, in both the House and Senate, distinguished Members of the Congress have made many addresses dealing with these matters. Among the subjects covered have been the Monroe Doctrine, our Caribbean policies, the Panama Canal, and the question of interoceanic canals generally.

The principal purposes of these efforts have been clarification of our foreign policies with Latin America and the fostering of harmonious relations between the United States and the nations to the south as matters of the highest importance.

Results have been evidenced by articles in various periodicals, seminars in institutions of learning, thoughtful resolutions by veterans' and other patriotic organizations, and a growing interest and understanding over the Nation of some of the grave policy questions involved.

The magnitude of the source material thus made available is shown by a comprehensive bibliography prepared by Representative Clark W. Thompson, of Texas, former chairman in 1949–50 of the Special Subcommittee To Investigate the Operation of the Panama Canal. This list of references was published in the CONGRESSIONAL RECORD of September 2, 1964, under the title of "Isthmian Canal Policy of the United States—Documentation, 1955–64."

In these connections, one of the most significant developments was a colloquium on "The Strategic Importance of Latin America" held during July 17 to 21, 1964, at Georgetown University under the auspices of its Center for Strategic Studies, of which Adm. Arleigh Burke, U.S. Navy, retired, a former Chief of Naval Operations, is director.

This occasion was a memorable proceeding attended by notable personages from Latin America. Those present included:

Former President Miguel Alemán of Mexico.

Mr. Paulo Ayres Filho of the Instituto Pinheiros, São Paulo, Brazil.

Dr. Pedro Beltrán, former Prime Minister of Peru.

Mr. Alberto Benegas Lynch, President of the Centro de Estudios Sobre La Libertad, Buenos Aires, Argentina.

Mr. Alvaro Fernándes Escalante of the Movimiento Costa Rica Libre, San José, Costa Rica.

Mr. Fernando Guillén Martiñez of the Comité de Accion Ciudadana, Bogotá, Colombia.

Mr. Patrico Lasso Carrión, former Minister of Defense of Ecuador.

Mr. Eudocio Ravines, editor of Vanguardia, Lima, Peru.

Monseñor José Joaquín Salcedo of Acción Cultural Popular, Bogotá, Colombia.

His Excellency, Enrique Tejera-París, Ambassador of Venezuela to the United States.

Adm. Alberto Pablo Vago of the Argentine Navy.

Dr. Carlos Urrutia Aparicio, former Ambassador of Guatemala to the Organization of American States.

The colloquium included a like number of U.S. officials, business leaders, and academic experts of comparable stature in the Latin American field.

The director of the colloquium was Prof. Norman A. Bailey, of Queens College, New York. Its coordinator was Dr. Donald M. Dozer, distinguished author and professor of history at the University of California, Santa Barbara, formerly historian in the Department of State.

The papers discussed dealt with the military, strategic, economic, social, and cultural factors in Inter-American relations. Edited by Dr. Bailey, these contributions were published in 1965 for the Center of Strategic Studies by Frederick A. Praeger of New York in the book, "Latin America: Politics, Economics and Hemispheric Security," as part of the Praeger Special Studies in International Policies and Public Affairs.

Chapter 3 of this book is a carefully researched paper by Dr. Dozer on "The Interoceanic Canal Problem in the Americas." In it, the author cuts through the clouds of confusion that have so often featured writings about canal problems, brings the key issues into sharp focus, including the question of our indispensable sovereignty over the Canal Zone, and urges the creation of an independent, broadly based Interoceanic Canals Commission to consider the entire canal subject, including its diplomatic aspects, with the view of securing basic legislation.

In connection with Dr. Dozer's paper, the attention of the Congress is invited to an address by Capt. C. H. Schildhauer, U.S. Navy Reserve, retired, on "The Problem of a New Canal: The Best Solution," published in a statement to the Senate on July 13, 1966, by Senator JOHN G. TOWER, of Texas; also to a collection of authoritative addresses on "Isthmian Canal Policy Questions" by Representative DANIEL J. FLOOD, of Pennsylvania, published as House Document No. 474, 89th Congress, and containing a vast store of authoritative and revealing information.

The latest major development in the growing public movement as regards the canal question, which has resulted from informed congressional leadership, was the adoption on September 1, 1966, by the American Legion's 48th Annual Convention, after mature consideration, of a resolution calling for the following:

First. The continuation by the United States of its indispensable sovereign control over the Canal Zone;

Second. The enactment by the Congress of legislation to create an independent, broadly based Interoceanic Canal Commission, with a mandate to consider all tangible solutions for improvement of transisthmian operating conditions and increasing traffic capacity; and

Third. The deferment of all further diplomatic negotiations between the United States and Panama about the canal problem until after such Commission is created and makes its studies and recommendations.

This American Legion resolution closely follows the views and reasoning set forth in Dr. Dozer's paper, which reflects scholarship, well-digested knowledge and vast experience in the Department of State. The long delay and complexities in the current treaty negotiations with Panama makes his paper both timely and useful.

During the present Congress, Representatives WILLIAM R. ANDERSON of Tennessee, BOW, of Ohio, FLOOD, of Pennsylvania, HOSMER and SISK, of California, and I have introduced identical bills to create the Interoceanic Canals Commission.

To make Dr. Dozer's paper, the correlated American Legion resolution, and the text of my bill to create the indicated Commission readily available to the responsible officials and citizens of our Nation, I quote the documents mentioned as part of my remarks:

LATIN AMERICA—POLITICS, ECONOMICS, AND HEMISPHERIC SECURITY*—THE INTEROCEANIC CANAL PROBLEM IN THE AMERICAS

(By Donald M. Dozer)

In the nomenclature of geopolitics the Western Hemisphere consists of two continental land masses each of which possesses its own heartland and rimland areas. The two continents are connected by a narrow isthmus which, from the arrival of the first white conquistadores in the American hemisphere, served as a strategic crossroad for the conquest of lands both to the south and to the north—Perú controlling the heartland of South America and Louisiana controlling the great Mississippi River valley, the heartland of North America. Only slightly less vital as strategic bases are the Caribbean Islands commanding the maritime approaches to the isthmus from the east.

The position of the United States in the Panama Canal Zone is due directly to the long-range commitment undertaken by this government to construct, maintain, operate, sanitate, and protect an isthmian canal in pursuance of the Hay Pauncefote Treaty with Great Britain in 1901 and the Spooner Act of 1902 authorizing the securing of a canal route by treaty with Colombia, which at that time was sovereign of the isthmus. The construction of the Panama Canal, located at the strategic center of the Americas, revolutionized the political geography of half the world. The severing of the isthmus by the construction of the canal between 1904 and 1914 enormously enhanced the importance of the isthmus by enabling the transit between the oceans of vessels of war and commerce. Even before arrangements were made for the construction of the canal, the United States had foresightedly provided for a naval base at Guantanamo on the south coast of Cuba to guard the eastward approach to the isthmus.

As the canal was constructed by the United States the foreign policy of our nation after 1903 *vis-à-vis* the countries of Central America was formulated more explicitly than ever before in terms of the protection of its interests in that area, requiring that it stabilize the countries of Central America and reinterpret the Monroe Doctrine to produce and maintain stability there. One major motive—probably the most important single motive—for the policy of fiscal control and interventions supported by our Naval forces and the Marine Corps, which the United States followed in the Caribbean and Central America after 1905, was the protection of the canal. For the United States, the canal, because of its shortening of maritime trade routes, became the decisive focus of policy formulation toward the countries to the south. In both respects its value and indeed its indispensability to the United States were later proved during both world wars and the Korean War.

The Panama Canal is one of the greatest transportation facilities in the Americas. It is primarily a commercial operation, one of the largest in which the United States is engaged. As such, it is required by law "to be self-supporting, to reimburse the United States Treasury annually for the net cost of operation of the Canal Zone Government and the basic annuity payment to the Republic of Panama, and to pay interest to the Treasury on the net investment of the United States Government in the corporation." The present annuity of $1,930,000 consists of $430,000, which was an adjustment of the $250,000 annuity caused by devaluation of the gold dollar, and the additional $1,500,000 borne by the State Department budget. The Panama Canal enterprise is not a part of the Department of Defense. It is an independent agency under the President but is currently assigned for supervision to the Secretary of the Army. It is not, however, a part of either the Army or the Defense Department. The Bureau of the Budget in 1950 recommended its transfer by Executive Order to the Secretary of Commerce.

For the United States the canal has been characterized as the lifeline of national defense and the backbone of its ocean commerce. In 1962 almost 60 per cent of the cargo carried through the canal involved the commerce of the United States. The prime function of the canal is the safe and expeditious transport of vessels from one ocean to the other. Its importance in this respect is shown by the fact that in 1963 it furnished transit for 11,999 vessels of commerce and war of various nations on terms of equality. Before and during its construction great danger to the canal was apprehended from naval gunfire, but the canal has been so adequately protected that in wartime it has suffered no damage from either direct hits or sabotage.

Reservations have been expressed since World War II as to the strategic significance of the Panama Canal in an age of nuclear weapons and intercontinental ballistic missiles, which have altered the nature of modern warfare and allegedly increased the vulnerability of such stationary installations as the canal. The canal, it is argued, will have to be defended by large navies stationed far out in the Atlantic and Pacific oceans or from land bases in the continental United States. In 1957, Hanson Baldwin pronounced the canal indefensible in total war and in conflicts less than total war less defensible and less strategic than ever before. Navy planning is based on a two-ocean navy without reference to any movement of naval vessels through the canal. Further, it is alleged, the usefulness of the canal to the United States is limited by the inability of the major United States aircraft carriers to transit it. In all, 24 United States naval vessels are unable to squeeze through it, and many commercial vessels either are too big to transit it or cannot go through fully loaded. Since World War II these and other developments, particularly the intensified anti-United States demonstrations in Panama, have focused world attention anew upon alternate canal possibilities and have also revived proposals for a sea-level canal which, it is argued, would be less likely to be

*Edited by Norman A. Bailey.

put out of service by sabotage or a nuclear explosion than the present lock canal.

The steps in the procedure by which the United States undertook the construction of the canal across the isthmus connecting the continents of North and South America are well known. The obstacles presented by the Clayton-Bulwer Treaty of 1850 with Great Britain had first to be removed. The abrogation of that treaty was accomplished in the second Hay-Pauncefote Treaty of 1901, giving the United States a free hand, as far as Britain was concerned, to construct a canal across the isthmus of Central America. Thereafter a decision had to be made by the United States as to the most feasible route for a canal among four major possibilities: (1) the Tehuantepec route through Mexico, the rights to which the United States had acquired in the Gadsden Treaty of 1853, (2) the route following the San Juan River between Nicaragua and Costa Rica, (3) the route through the Colombian department of Panama, and (4) the route through Colombia from the Gulf of Darién following the Atrato River, thence across the Continental Divide and down the valley of the Truando into the Pacific. Studies and surveys made by the Isthmian Canal Commission, headed by Rear Admiral John G. Walker, initially gave preference to the Nicaragua route, but the Commission's recommendation to this effect was subsequently altered because of the clearly demonstrated advantages of the Panama route and the pressures exerted by the reorganized New Panama Canal Company, which was eager to sell to the United States its concession to the Panama route. As a result Congress passed the Spooner Act in 1902 which authorized the President to construct the canal through Panama if he could make satisfactory arrangements with the New Panama Canal Company and with Colombia, of which Panama was then a department. The arrangements with the Company were made, the Company agreeing to sell all its canal rights and equipment to the United States for $40 million.

But when Secretary of State John Hay negotiated a treaty with Colombia for a concession to build the canal through Panama, he ran into difficulties. Colombia was jealous of its sovereign prerogatives, it was torn by civil war, and the Colombian Senate unanimously rejected the treaty, as it clearly was entitled to do under the Colombian Constitution. The Roosevelt Administration then diplomatically intervened in a successful revolution in Panama and hastily concluded with the new government, on November 18, 1903, a "Convention for the Construction of a Ship Canal."

This Convention made the United States the guarantor of the independence of the Republic of Panama and granted to the United States "in perpetuity the use, occupation and control of a zone" ten miles wide across the isthmus "for the construction, maintenance, operation, sanitation and protection" of the canal, excepting the cities of Panama and Colón at the Pacific and Caribbean ends of the zone respectively. In its key Article III, which has since been variously interpreted and remains a subject of controversy, it gave the United States "all the rights, power and authority within the zone . . . which the United States would possess and exercise if it were the sovereign of the territory . . . to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority." In addition the treaty gave the United States full rights to the water runoff in the Chagres River valley lying outside the zone for navigation, water-power, and other purposes.

As compensation for these sovereign rights, power, and authority the United States agreed to pay Panama $10 million in gold coin at the time of the ratification of the treaty in full satisfaction of Panama's claims of sovereignty in the Canal Zone, and $250,000 annually in like gold coin beginning nine years after ratification of the treaty. This latter amount was to be paid to Panama by the United States as the new owner of the Panama Railroad Company which under its concession from Colombia had been liable for annual payments in this amount.

Subsequently, the United States acquired, pursuant to the treaty of 1903, outright ownership of all land and other property in the Canal Zone by purchase from the individual owners. When the canal was completed it became possible to fix the boundary line between the Canal Zone and the Republic of Panama paralleling the canal axis five miles from it on each side. In pursuance of the treaty of 1903 these lines were fixed in a Boundary Convention dated September 2, 1914, and cannot be altered except by the negotiation of a new treaty. The Panama Canal Zone consists of a ten-mile strip of land and water across the isthmus extending five miles on each side of the center line of the canal, the arms of Gatún Lake up to the 100 foot contour, and Madden Lake up to the 260 foot contour. The seaward limits are three marine miles from mean low water. The total Canal Zone area is 647.29 square miles, including 89.45 square miles of water within the 3-mile limits and 185.52 square miles of fresh water. The claims of the United States to it are derived from the grant from the government of Panama and purchase from the individual property owners.

The sovereign rights, power, and authority which the United States received from Panama in the treaty and has always exercised were the conditions deemed minimally necessary to warrant its undertaking the construction of the canal through Panama rather than through Nicaragua, for the United States could turn to Nicaragua if it could not make suitable arrangements with Panama. The Isthmian Canal Commission, headed by Rear Admiral John G. Walker, had stipulated in its report of January 18, 1902, that, as a *sine qua non* of any canal negotiations, "the grant [of the Canal Zone] must be not for a term of years, but in perpetuity, and a strip of territory from ocean to ocean of sufficient width must be placed under the control of the United States. In this strip the United States must have the right to enforce police regulations, preserve order, protect property rights, and exercise such other powers as are appropriate and necessary." [1]

In conformity with these stipulations the Spooner Act was passed and the treaties with both Colombia and later Panama were negotiated. In consideration of the assumption by the United States of the obligation for the perpetual maintenance, operation, and protection of both the canal and the Panama Railroad, Panama granted to the United States the right in perpetuity to exercise sovereignty over the Canal Zone. Panama gave this right in perpetuity because of the obligation of the United States to operate the Panama Canal in perpetuity.

The United States, therefore, should not feel "guilty" for taking undue advantage of Panama in the 1903 treaty. Its action responded to Panamanian popular will, and its favorable terms were the inducement to construct the canal in Panama rather than in Nicaragua, which alternative was authorized under the 1902 Spooner Act. Nor should it be overlooked that the Republic of Panama grew out of the movement for an Isthmian Canal. It could never have gained its independence except for the guaranty of the United States, and if the United States should withdraw from the isthmus, Panama might again be absorbed by Colombia, especially since the United States abandoned its guaranty of Panama's independence in 1936. This contingency was anticipated in Article XXIV of the treaty of 1903, which specifically provides that in the event that Panama should enter any union or confederation of states the rights of the United States shall not be "lessened or impaired."

A grant by one nation to another such as the grant by Panama to the United States in 1903, of the right to exercise sovereignty "in perpetuity" over a part of a nation's territory, is anomalous in international law; the treaty of 1903 is probably unique. Almost from the beginning the treaty with Panama has been criticized on this ground and also on the ground that it allegedly had its origin in a kind of conspiratorial action which was responsible for establishing Panama as an independent nation. Panama's claim to the right to dispose of a Canal Zone to the United States was clouded by the dubious nature of the circumstances under which she had achieved her independence and gained control over the zone. In international law her claim was inferior to that of Colombia, as the United States itself recognized by concluding the Thomson-Urrutia Treaty with Colombia in 1914 giving Colombia special canal privileges and a grant of $25 million.

The precise nature of the Canal Zone grant made by Panama to the United States has been the subject of acute controversy on many occasions, especially since the 1930s. Some of the provisions (but not Article III) of the treaty of 1903 have been modified in new treaties between the United States and Panama concluded in 1936 and 1955. In the treaty of 1936, the United States renounced its guaranty of the independence of the Republic of Panama, but neither in the treaty of 1936 nor in the treaty of 1955 has it agreed to any redefinition of its fundamental rights, powers, and privileges in the Canal Zone different from those set forth in the treaty of 1903—Article III of which therefore remains the basis for the United States position in the Panama Canal Zone.

One interpretation of Article III is based on the legal distinction between the historic term "sovereignty" and the concept of the exercise of sovereignty, which is synonymous only with jurisdiction. By that article, so the argument runs, the United States was not granted sovereignty over the Canal Zone; it was granted only jurisdiction, but a jurisdiction which continues "in perpetuity" and which, under the treaty, includes the right to exercise all the rights, power, and authority within the zone "which it would possess and exercise if it were the sovereign . . . to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority."

At the time when the treaty was negotiated between Secretary Hay and the Panamanian envoy, Philippe Bunau-Varilla, the United States could probably have bought the Canal Zone outright so eager were the agents of the new Panama Canal Company and the Panamanian revolutionists to have a canal constructed by the United States across the isthmus. That the United States was not granted sovereignty in Article III is shown, it is alleged, by the argument that it would not have obligated itself to pay to Panama an annuity on the zone beginning nine years after the ratification of the treaty. In other words, it was granted jurisdiction or the right to act in a sovereign capacity in perpetuity in the zone, but not sovereignty in the full sense of the word as understood in international law. Presumably the sovereignty of Panama continued, but it continued in abeyance in perpetuity, Panama meanwhile collecting an annual "rental" for the perpetual alienation of its jurisdiction over the zone. By the treaty of 1903, Panama in full exercise of her sovereign authority forfeited forever her right to exercise sovereignty over the Canal Zone.

The claim of Panama to the retention of sovereignty over the zone is undoubtedly strengthened by the requirement of an annuity and also by the increase in the annual

[1] U.S., Congress, Senate Document 123, 57th Cong., p. 9.

payments which the United States has subsequently made—to $430,000 in 1930 and $1,930,000 in 1955, thus apparently recognizing that it does not possess legal sovereignty over the zone. Panama has insisted since 1904 that in the treaty of 1903 it granted to the United States only a delegated and revocable jurisdiction limited to matters pertaining exclusively to "the construction, maintenance, operation, sanitation, and protection of said canal." As early as 1904 Panama claimed the right to control all ports, including ports in the Canal Zone, and denied the right of the United States to establish customs houses and postal service on the ground that such agencies were not connected with "the construction, maintenance, operation, sanitation, and protection" of the canal. Then and subsequently Panama has insisted that the treaty, by using the phrase "as if it were sovereign," plainly did not intend to grant sovereign rights to the United States in the Canal Zone. If Panama had intended to cede sovereignty of the Canal Zone, only two articles, according to the Panamanian argument, would have been necessary in the treaty: "one specifying the thing sold and the other expressing the price of the sale."

Panama has never demanded mere "titular sovereignty" in the Canal Zone but rather full and unconditional sovereignty. When the phrase titular sovereignty was first used, it was seemingly accepted by the Theodore Roosevelt Administration, but only informally and temporarily in order to abate Panamanian grievances and facilitate the completion of the canal; it was simply understood to exclude all Panamanian jurisdiction in the Canal Zone and to mean only sovereignty of a reversionary character that could never come into effect unless the United States should abandon the canal. But in 1924, a decade after the canal was completed, Panama was explicitly told by Secretary of State Charles Evans Hughes that the United States would not limit "its full right to deal with the Canal Zone under Article III of the treaty of 1903 as if it were sovereign of the Canal Zone and to the exclusion of any sovereign rights or authority on the part of Panama." The Panamanian drafter of the treaty of 1903, Bunau-Varilla, concerned about the continuing controversy over the question of technical sovereignty, wrote in 1913: "After mature thought I recognized that if I enumerated in succession the various attributes of sovereignty granted, I ran the risk of seeing in the Senate some other attributes asked for. To cut short any possible debate I decided to grant a concession of sovereignty en bloc."

But this "concession of sovereignty en bloc," as Bunau-Varilla described it, only started the debate, which continues to the present. When the United States negotiated the new treaties in 1936 and 1955 it made no change in the original Article III of the treaty of 1903, but rather confirmed it, and as these treaties were duly ratified by the Panamanian government the continuing force of this article can be considered to be acceptable to Panama. The conclusion must be reached that in the matter of juridical status the Canal Zone is a territorial possession of the United States, constitutionality acquired pursuant to law, treaty, and purchase from individual propery owners.

But whether the United States is technically sovereign over the Canal Zone in the legal sense, it is clearly entitled under the treaty of 1903 to exercise all sovereign rights in the zone "to the entire exclusion" of the exercise of those rights by the Republic of Panama forever or until the United States itself relinquishes the exercise of those sovereign rights, in which case they will revert to Panama and to no other nation, for Colombia's claims to the exercise of such rights were extinguished in the Thomson-Urrutia treaty of 1914, ratified in 1922. The exercise of complete sovereignty over the zone, to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority, is essential to the successful discharge of the obligations of the United States in the Canal Zone.

The United States therefore is entitled to exercise full control over the Canal Zone and is accountable to no other nation and to no international entity for its exercise of that control. The report that was submitted by Secretary of State George Marshall to the United Nations on the administration of the Canal Zone as a "non-self-governing" or "occupied" territory represented an egregious if not a willful misinterpretation of the status of the United States in the Canal Zone and weakened the position of the United States there.

The value of the Canal can of course be weakened or destroyed by hostile action against it based in the Republic of Panama. In the years since the negotiation of the treaty of 1903, Panamanian nationalist politicians have repeatedly used the United States and its position in the Canal Zone as targets against which they could direct public resentment for their own political ends. The United States appears to be able to do little to counter this resentment by pointing to the countervailing advantages which Panama derives from the Canal. The Panama Canal is the largest single source of income and employment for Panama. The outflow of money from United States agencies in the Canal Zone to Panama in 1963 amounted to approximately $92 million, paid directly in salaries, retirement and disability payments, and purchases of goods and services in addition to many indirect benefits to the economy of the nation. In 1963 approximately 11,000 Panamanians were employed in the zone as compared with 4,000 Americans. The expenditures by the United States in Panama exceed the entire budget of Panama by about $14 million. Because of these and other benefits which Panama receives from the canal, the economy of Panama is one of the strongest in Latin America. The income from Canal Zone agencies has given Panama the highest per capita income in Latin America, and, if the United States continues to operate the canal, this will undoubtedly increase.

The question of sovereignty can be used as a profitable political slogan and has been made to embody all the frustrations of the Panamanian people. One such frustration arose out of the distinction which the United States began to make, for valid reasons, during the construction of the canal, between the gold and silver employees—the former being the white United States employees who were paid in gold, and the latter the Panamanians or black West Indian laborers who were paid in silver. This distinction followed the traditional pattern of United States treatment of local employees in its embassies, consulates, and other installations in countries around the world. It was particularly resented by the Panamanians as having overtones of racial discrimination. General McSherry, who was sent to Panama to investigate this complaint after World War II, recommended the abolition of the dual-rate system, and in 1948 the silver and gold roll designations were replaced by two new categories: "United States rate" and "local rate." In October 1953 the Presidents of the United States and of Panama in a joint statement recognized the principle of equality of job opportunity and treatment for Panamanians in the Canal Zone, and this principle was embodied in a memorandum accompanying the treaty of 1955, which, however, for security reasons reserved certain positions to United States citizens. Panama has continued to charge discrimination against Panamanians under this reservation.

So far as the United States annuity payment to Panama is concerned, the treaty of 1936 increasing the payment from $250,000 to $430,000 simply took cognizance that the United States had gone off the gold standard and undertook to continue the payment at a value equivalent to gold. The treaty of 1955, which raised the annual payment to $1,930,000, legally inhibited any further demand on Panama's part for an increase in the annuity. The net proceeds of the canal during the fiscal year 1963 amounted to only $2.4 million; Panama's annuity of $1,930,000 represented more than two-thirds of the net proceeds of the canal. But this amount has not satisfied the Panamanians. They are demanding at least one-half the gross revenue from the canal, which in 1959 amounted to $87 million. Panama is thus claiming at least equal partnership with the United States in the canal.

A turning point in the Panama controversy came with the Suez crisis which resulted in the nationalization of the Suez Canal by Egypt and which stirred up agitation for the nationalization of the Panama Canal. Charges that the United States was playing the role of imperialistic power in the Canal Zone and exploiting a Panamanian resource for its own benefit were intensified. The Panamanians clamored for recognition of the sovereignty of their government over the Canal Zone. For this reason their demand for the privilege of raising the Panamanian flag alongside the United States flag in the Canal Zone assumed considerable importance for them and became a rallying point for nationalist and anti-United States elements in Panama. In November 1959 some of them tried to force their way into the Canal Zone in order to plant the Panamanian flag there as a symbol of Panama's sovereignty. Under Secretary of State Livingston Merchant, on a visit to Panama, stated officially that "the United States recognizes that titular sovereignty over the Canal Zone remains in the Government of Panama." This announcement was followed immediately by the invasion of the Canal Zone by a second mob and the presentation of an official request by the Panamanian government to be allowed to fly its flag in the zone. President Eisenhower in a press conference soon afterward expressed a willingness to allow "visual evidence that Panama does have titular sovereignty over the region." The House of Representatives in Washington passed a resolution (by vote of 381 to 12) objecting to the proposal to allow the Panamanian flag to be flown, but the Eisenhower Administration proceeded nevertheless to announce by Executive authority (September 17, 1960) that it would allow the Panamanian flag to be flown alongside the United States flag at a designated place in the Canal Zone.

The national flag is the symbol of sovereignty. Under the 1903 treaty, sovereign rights were vested in the United States to the entire exclusion of any exercise of sovereignty by Panama. The official display of the Panamanian flag in the zone is therefore contrary to direct treaty provisions, and the display of the Panamanian flag in the Canal Zone has inevitably produced confusion, disorder, and insistent claims by Panama that it confirms recognition of Panamanian sovereignty to the exclusion of the exercise of sovereignty by the United States.

Panama has never claimed only titular sovereignty in the zone and the Panamanians and their government have taken maximum advantage of recognition of their titular sovereignty by the United States to claim the full sovereignty to which they feel they are entitled. The action of the Eisenhower Administration was interpreted in Panama as a complete reversal of the United States' position on the question of sovereignty, for the flying of the flag is obviously one of the sovereign rights which Panama agreed in the treaty of 1903 never again to exercise. This action was regarded as a formal recognition of Panama's sovereignty over the Canal

Zone and it has since been used as a lever to extract further concessions from the United States, including the concession of authority to fly their flag at other places in the Canal Zone where the United States flag is flown. It has also made it necessary for the United States to defend its position in the Canal Zone and the lives of its citizens there by means of force.

President Kennedy met with President Roberto Chiari of Panama in June 1962 and agreed that arrangements would be made "for the flying of Panamanian flags in an appropriate way in the Canal Zone." Subsequently the Joint Commission created by the two governments reached an agreement that both flags would be flown in the Canal Zone wherever the United States flag was flown by civilian authorities. In pursuance of this agreement, the Governor of the Canal Zone, Robert J. Fleming, Jr., opened a new hornets' nest when, on December 30, 1963, he authorized the Panamanian flag to be flown alongside the United States flag at seventeen selected sites in the zone. Already both flags were flying at eleven different sites in the zone. The Governor announced that six additional sites would be selected and that the United States flag would thereafter not be flown at certain designated sites, one of which was the Balboa High School. This action did not satisfy the Panamanians because they wanted their flag flown at all the places where the United States flag had previously been flown in the zone by civilian authorities, and it was resented by the North Americans in the zone who did not like to have the United States flag removed from places where it had formerly flown. The students at the Balboa High School hoisted the flag, and violence ensued on January 9 when Panamanian students invaded the Canal Zone and tried to mount their flag in front of the high school. They had already informed the Ministry of External Affairs of their intention to demonstrate in the zone, and immediately after they returned from the zone they were received by the President of Panama. For more than three days while the rioting continued the Panamanian authorities made no attempt to control the violence. It resulted in more than 100 United States casualties, both civilian and military, including four killed.

At the height of the rioting, the United States Secretary of the Army, Cyrus Vance, announced that the Canal Zone authorities would continue to fly the United States flag outside the public schools of the Canal Zone and that in accordance with the agreement between the United States and Panama the Panamanian flag would be flown along with that of the United States at these places. The Inter-American Peace Committee immediately went to Panama and initiated efforts to harmonize the difficulties between the United States and Panama, making, among others, the recommendation (1) that the barricades that the United States had raised to block traffic across the Bridge of the Americas (The Thatcher Ferry Bridge) crossing the Canal should be removed, and (2) that diplomatic relations between the United States and Panama, which Panama had broken, should be re-established. But Panama, on January 31, preferred charges before the Council of the Organization of American States that the United States had committed an "unprovoked armed attack against the territory" and the people of Panama, invoked Articles 6 and 9 of the Inter-American Treaty of Reciprocal Assistance, and called for a meeting of the Organ of Consultation in order to agree on the measures that must be taken in case of aggression to assist the victim of the aggression.

The anti-United States agitation has been inspired in part by the resentment of Panamanian business interests toward the competition offered by the commissaries and industrial establishments operating in the Canal Zone. Several concessions to Panama on this point, limiting the operations of their competitive business enterprises in the zone, were made in the treaty of 1955, but they proved unsatisfactory to Panama. Finally, in 1959, in order to give maximum benefit to Panama's economy, the Panama Canal Company and the United States Department of Defense agreed to purchase either in Panama or in the United States all their supplies, except gasoline, required for their operations in the Canal Zone, thus requiring them to pass through either Panamanian or United States customs.

The assaults upon the position of the United States in Panama serve well the Communist objectives of breaking lines of communication and enlarging the area of world conflict. The nationalist agitation in Panama, aggravated by Castroites and by representatives of the Arab nations, against the position of the United States in the Canal Zone has directed attention afresh to alternative canal routes, particularly (1) the Nicaraguan route through the San Juan River and Lake Nicaragua and (2) the Atrato River route through Colombia.

In the Bryan-Chamorro Treaty with Nicaragua in 1914 the United States acquired "in perpetuity" exclusive rights to construct, operate, maintain, and defend an interoceanic canal by a Nicaraguan route in exchange for three million dollars. A new survey of this route made under the auspices of a Congressional Committee in 1960 reported the cost of a Nicaraguan lock-canal at over four billion dollars and a Nicaraguan sea-level canal completely impracticable. Nicaragua, as one of the two places on the American isthmus where the elevation is lowest, has been the historic rival of Panama for a canal route. Competent engineers who have studied the construction of a Nicaragua canal have always contemplated the use of Lake Nicaragua as part of the canal. This lake is about 105 feet above sea level and has an area of approximately 3,000 square miles. A canal utilizing the natural features of the Nicaragua site would have to make use of this lake and the valley of the San Juan River flowing from it, and this would be a high-level lake and lock type with a summit level of 110 feet. The idea of a canal at sea level at Nicaragua is not realistic; it would have to ignore Lake Nicaragua and pass around the southern end of the lake at sea level and be protected from inundation from the lake by high levees. A new isthmian canal wherever located, if properly designed, would have greater capacity and might divert traffic from the Panama Canal, making final liquidation of the latter inevitable. Moreover, the United States would have to defend both canals, thus doubling the defenses for protection of two weak points.

New surveys of the Atrato River route have just been begun, although several such surveys have previously been made, the last as recently as 1948. But before a canal can be constructed through either Nicaragua or Colombia, new treaties not only with these countries but also with Costa Rica and possibly El Salvador and Honduras will have to be negotiated. The Bryan-Chamorro Treaty with Nicaragua for a canal at that location is a general agreement that would have to be supplemented by one or more additional treaties. Conventions would also have to be concluded, certainly with Costa Rica, probably also with El Salvador and Honduras, concerning defense. If the United States should give serious consideration to the Tehuantepec route, as Senator Mansfield is proposing, it would also have to negotiate a new treaty with Mexico, for it abandoned its rights to the Tehuantepec route in 1937.

The construction of a new canal of sea-level design in Central America, or the construction of a new transisthmian canal wherever it may be located, would require new treaties negotiated at a time when the United States, because of the concessions which it has already made to Panama since 1936, is in an extremely weak negotiating position. Under existing circumstances any treaty concluded between the United States and another country will provide only a minimum of United States control, greatly impairing the authority essential for efficient maintenance, operation, sanitation, and protection of a canal. Moreover, if the vital interests of the United States in Panama are not fully protected, it is doubtful that Congress and the people of our country will invest the vast sums required in a project certain to be lost.

Besides the renewed interest in alternate canal routes to rival the Panama Canal, other suggestions that have been either revived or newly presented to solve the United States-Panama problem include (1) the internationalization of the canal, (2) the admission of Panama as a new state in the Union, and (3) outright purchase of the "entire Central American half of the Republic from the zone's present eastern border to the Costa Rican frontier." The internationalization of the Panama Canal has been urged by such different individuals as Victor Raúl Haya de la Torre and President Harry Truman. Senator Morse of Oregon insists that the United States cannot favor "the internationalization of the waterways in other parts of the world and then take the position that we have some kind of Monroe Doctrine in the United States that prevents any internationalization of waters in the Western Hemisphere." With reference to the old idea of admitting Panama as a state, Congressmen who have made this proposal acknowledge that the principal obstacle would be nationalism in Panama, which has a long history going far back into the nineteenth century and which has become particularly strong since World War II.

The success of Egypt in nationalizing the Suez Canal, with the consent of the United States, stimulated the demands among Panamanian students, nationalists, and Communists for the nationalization of the Panama Canal. But only the most irrational Panamanian nationalist can believe that Panama herself should own and is capable of operating the canal. The most conservative estimate of the cost of needed improvements of the canal to meet the demands of international commerce by the year 2000 amounts to $61 million, which is clearly beyond the financial resources of Panama.[2]

Alternative suggestions, calculated to divest the United States of its unilateral exercise of sovereignty over the canal, would provide for the internationalization of the canal under the auspices of either the Organization of American States or the United Nations. But past experience in international control does not presage success for such control over the canal whether under the inter-American or United Nations organization. Besides, international control would forfeit the large financial investment and the considerable security interest which the United States has in the canal. The United States has paid more for the Panama Canal Zone, both initially and subsequently, than for any other territory over which it exercises or has exercised sovereign control. Including the purchase price, the annual payments, and the liquidation of the claims of all private property owners in the Canal Zone, the Canal Zone has cost the United States more than $144.5 million, as compared with only $7,200,000 for Alaska, $6,674,057 for Florida, $15,000,000 for Louisiana, $15,000,000 for the Mexican Cession, and $10,000,000 for the Gadsden Purchase. The total

[2] U.S., Congress, *Report on a Long-Range Program for Isthmian Canal Transits*, 86th Cong., 2d Sess., 1960, Rept. 1960, p. 32.

cost of the acquisition of the Canal Zone as reported by the Deputy Secretary of the Army, Harry C. McPherson, Jr., on March 31, 1964 is as follows:

Original payment, 1904 (treaty of 1903)	$10,000,000
Annuity, 1913–63 (treaties of 1903, 1936, and 1955)	30,150,000
Property transfers:	
In Panama City and Colón, 1943	11,759,956
Water system in Panama City and Colón	669,226
Under treaty of 1955	22,260,500
Colombia (1922)	25,000,000
Compagnie Nouvelle du Canal de Panama (1904)	40,000,000
Private titles, stocks, and claims	4,728,889
Total	144,568,571

The total investment of the United States in the canal and defense installations there is estimated at $2 billion. International control and operation of the canal would make its defense dependent upon the consent of other powers having only a minimal or possibly even a destructive interest in the canal. United Nations control, for example, would entrust its defense in part to Communist-bloc countries and would give them an incomparable leverage to use against the security and stability of the Western Hemisphere, thus violating the Monroe Doctrine as well as inter-American agreements for the defense of the hemisphere. The evidence is conclusive that Soviet strategy aims at control over international waterways, particularly, the Suez Canal, the Danube, the Dardanelles, the straits of southeast Asia, and the Panama Canal. The Panama Canal is a strategic artery of international trade and inter-American defense and in the interest of both must continue to be controlled, maintained, operated, sanitated, and protected by the United States. Ex-President Theodore Roosevelt wrote in December 1918:

"The Panama Canal must not be internationalized. It is our canal; we built it; we fortified it, and we will protect it, and we will not permit our enemies to use it in war. In time of peace, all nations shall use it alike, but in time of war our interest at once becomes dominant."

The United States cannot discharge its responsibilities for the Panama Canal with less control and jurisdiction than that to which it is entitled under the treaty of 1903. The Panama Canal is no ordinary enterprise but a vast economic and strategic agency that can in nowise serve two masters or operate under divided authority. Moreover, it is bounded on both sides by a country afflicted with revolutions and must not be allowed to become a pawn of Panamanian politicians.

Ominous conclusions can be and are being drawn from Caribbean developments centering in the Panama Canal: In December 1958 Panama extended its coastal waters to a twelve-mile limit, partly, it was alleged, in order to be able to close the seaward ends of the Canal Zone which under the treaty of 1903 extend only three nautical miles beyond the ends of the canal. In 1959 and again in January 1964 Panamanian mobs instigated by Communist agents have invaded the Canal Zone, jeopardized the security of the canal, and caused destruction of United States lives and property. In Cuba a Communist regime has been established dependent upon Moscow and subservient to it threatening the northern flank of the Atlantic approach to the canal. Communist influences are strong in British Guiana on the southern flank. Taken together these developments show a consistent pattern with vast geopolitical significance, threatening not only the position of the United States in the Caribbean but also the security of the Americas.

The Panama Canal has a major strategic importance to the United States—politically throughout the Caribbean and Latin America, economically to United States commerce, and militarily in limited war. If it is lost to the United States our country will suffer irreparable damage throughout Latin America. It will lose whatever support and sympathy it still retains in this hemisphere. The erosion of the United States position in Panama, besides seriously handicapping this nation for wartime operations and interrupting vital supply lines, produces worldwide repercussions and, in particular, adverse effects throughout the Caribbean and Latin America generally.

The over-all interoceanic canal question has been complicated by the recent exhumation of the corpse of the 1945–48 issue over type of canal, with advocates of a canal at sea level contending for this predetermined design regardless of the costs or consequences and despite the rigorous clarifications in 1947–50 of the fallacies in the security hypothesis upon which it is based. Many leading experts in nuclear warfare and canal problems have repeatedly asserted that the atomic bomb is irrelevant in the planning of navigational projects; that such projects cannot be defended by passive defense measures embodied in design; and that their defense against enemy attack, like the defense of the seaports, airports, railroads, highways, and other productive facilities of our country, depends upon the combined military, naval, air, and industrial might of the United States. Protection of the canal against sabotage, which is largely an administrative matter, involved effective fences, floodlights, guards, and identification precautions.

In the broadest sense, however, the Panama Canal, like every other defense installation and industrial center of the United States, has become more vulnerable since the development of long-range ballistic missiles. The canal presents few defense problems different from those of other transportation and industrial centers of the nation. Any type of canal can be destroyed by nuclear weapons, if the latter are allowed to strike. These facts do not make the canal any less important to the United States but highlight the point that the defense of the canal is a function of the over-all defense responsibility of the United States and cannot be assured merely by modifying its design features under pretext of security.

The paramount function of the Panama Canal is to serve as an aid to commerce and navigation and to provide the tolls which give it economic justification. The effective operation of the canal for these purposes requires that the approaches to the canal, particularly the Guantanamo naval base, must be maintained. Challenges by the Castro regime in Cuba to the United States position in Guantanamo appear to be directly related to anti-United States demonstrations in Panama.

The position of the United States in Panama has been sometimes compromised by divided counsels. The fact has been ignored that the Panama Canal is the key to most problems affecting relations of the United States with Panama and the principal reason for the presence of so many United States agencies on the Isthmus. In the Canal Zone the Governor outranks all other officials, including the Commander-in-Chief, Southern Command at Quarry Heights, who is an army officer, and the Commandant of the 15th Naval District at Balboa, who is a naval officer. The United States Ambassador to Panama in Panama City is the diplomatic representative of the United States accredited to the Republic of Panama. In time of peace the Panama Canal is headed by a Governor of the Canal Zone under provisions of the Panama Canal Reorganization Act of 1950; in time of war or other emergency the President may designate an officer of the Army to assume exclusive authority over the Canal Zone Government. Seldom is an ambassador, concerned with problems of diplomatic relations with a truculent Panamanian government and with his own official security, qualified to speak on basic Panama Canal questions, nor can a Governor, on the other hand, be expected to know all the minute questions faced by an ambassador. The problems of the Commander-in-Chief and naval Commandant are military and naval.

If these representatives are unable to agree, and one voice on Panama Canal questions is necessary, that voice should be the Governor's—as illustrated in 1905–06 when Governor Charles E. Magoon also served as Minister to Panama. Certainly no ambassador should be permitted to commit the United States to any policy affecting the maintenance, operation, sanitation, and protection of the Panama Canal until he has received instructions on these matters from higher, responsible authorities.

The attention that is currently being given to alternative canal routes, though it may be diplomatically useful in applying pressure on Panama, should not be allowed to detract from the importance of maintaining and modernizing the Panama Canal as indispensable to the safety and the economy of the United States. It is calculated that the Panama Canal will reach the limit of its capacity by the year 2000. Attention must therefore be given to meeting the ever-increasing demands for the use of interoceanic transit facilities across the Central American isthmus. The fallacy of constructing a sea-level isthmian canal, of converting the canal into the "Straits of Panama," has been repeatedly exposed—the major difficulties being the differential in tidewater level as betwen the Caribbean and the Pacific waters and the enormous earth-moving operation which would be required.

The term sea-level canal is a misnomer, for it would require tidal locks as well as flood-control reservoirs and dikes. The alternating currents through such a canal, attaining a maximum velocity of approximately four and one-half knots, would make necessary massive lateral dikes on both sides for flood control. Besides, there are the problems caused by the instability of the banks, possible slides of the first magnitude, and the danger of prolonged interruption of traffic.

In the opinion of competent nuclear warfare experts and physicists, any type of canal can be destroyed by military bombs regardless of inherent design characteristics. Some physicists consider that the longer restricted channels and lateral dams make a sea-level canal more vulnerable in some ways than the high-level.

In 1943 the General Board of the Navy, studying canal problems before the advent of the atomic bomb and the injection of the confusing issues of "security" and "national defense," urged abandonment of the idea of a sea-level canal. When the idea was nevertheless pressed after World War II by some contractors, engineers, and Congressmen, it was again clarified by the Department of Defense under Secretary James Forrestal. It failed to receive Presidential approval, and the report was sent to the Congress without comment or recommendation, and the Congress took no action.

It was estimated at that time that a sea-level canal would cost $2,500 million; it would now probably cost double or triple that amount. Construction, it is estimated, would require ten years. The use of nuclear explosions for excavation is limited by the nuclear test ban treaty and is, in any case, still in the experimental stage. Besides, since a sea-level canal is not provided for in the treaty with Panama it opens up diplomatic problems of an explosive nature and would require the negotiation of a new treaty which under existing conditions would be extremely difficult and which would almost certainly

involve a huge indemnity to Panama, increased annuity payments by the United States, a limitation of the duration of United States control to a period less than perpetuity, and possibly recognition of full Panamanian sovereignty. Nevertheless at the instigation of the Department of State and the Department of Defense, the 88th Congress considered a bill [S. 2701] to determine the most suitable site and means for construction of a sea-level interoceanic canal across the isthmus as a successor to the Panama Canal.

An alternate and practical proposal which would expand the capacity of the canal to meet its growing requirements into the twenty-first century is the terminal lake-third locks plan. This plan, which was the original conception of French engineers associated with Ferdinand de Lesseps, calls for the construction of a fresh-water lake at the Pacific side of the canal similar to the Gatún Lake on the Caribbean side. This plan has been endorsed by many experts as providing the best operational canal at minimal cost without involvement in new treaty negotiations. As described, it "provides for removing all lock structures from Pedro Miguel and for regrouping of all Pacific locks at or near Miraflores, thus enabling uninterrupted navigation at the Gatún Lake level between the Atlantic and Pacific locks, with a greatly needed terminal-lake anchorage at the Pacific end of the canal. Thus improved, the modified third-locks project could be completed at relatively low cost—estimated at around one billion dollars. The soundness of this proposal has been established by forty years of a similar arrangement at Gatún."

Under the terminal-lake plan, the major increase of capacity of the existing canal would not be a new canal different from the present one but merely an expansion covered by treaty and hence would not involve a new treaty, which is a paramount factor in the whole modernization process. If the total cost of constructing and operating a sea-level canal were charged against the traffic passing through the canal it would increase the toll rates twenty times, but the terminal lake—third locks plan would only triple the toll rate.

The levy of tolls in the canal is subject to three treaties: (1) the Hay-Pauncefote Treaty with Great Britain, 1901, (2) the Hay-Bunau-Varilla treaty with Panama, 1903, and (3) the Thomson-Urrutia treaty with Colombia, 1914–22. Any change in the tolls would involve these three treaties. The United States has treaty obligations with Britain, Colombia, and Panama requiring adequate maintenance, operation, sanitation, and protection of the Panama Canal with tolls that are just and equitable.

In summary the principal proposals for increase of interoceanic canal facilities include: (1) The modernization and major increase of capacity of the existing Panama Canal by the terminal lake-third locks solution in which all Pacific locks would be consolidated in three lifts near Agua Dulce south of Miraflores to form a Pacific high-level anchorage which would correspond with that at Gatún and which would necessitate the elimination of all locks at Pedro Miguel. This plan would not require a new treaty with Panama and is recognized as providing the best operational canal practicable of achievement. (2) The construction of a new Panama Canal at sea level near the present canal. This proposal would cost much more, and would pose the risk of slides of the first magnitude and resulting prolonged closure. Moreover, it would require a new treaty with Panama. (3) Construction of a new canal at a more remote site, which would be costly and fraught with grave diplomatic uncertainties.

To conciliate Panama and avert dangerous anti-United States demonstrations, the United States has yielded concession after concession to Panama in the treaties of 1936 and 1955 and other agreements, saving, however, the treaty basis justifying its exercise of complete sovereignty over the Canal Zone "to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority." It has abandoned its treaty right to maintain public order and to supervise sanitation in the terminal cities Panama and Colón, with the result that these cities were used as bases for invasion of the zone and loss of life and property by United States citizens in 1959 and again in 1964. In the 1955 treaty the United States gave to Panama, without consideration, the terminal yards and passenger stations of the Panama Railroad in Panama City and Colón, and only the intervention of Congress prevented the negotiating authorities of the United States from giving away the main line. The railroad now is forced to operate without its two designed terminals. The United States made these concessions without regard for the rights of Colombia with respect to the Panama Canal and Panama Railroad, as these rights are set forth in the Thomson-Urrutia treaty of 1914–22. They are comparable to those of the United States and Panama. Among the privileges enjoyed by Colombia under that treaty is the use of the Panama Railroad, but those privileges were curtailed by the treaty of 1955.

The United States has yielded to Panama's claims relating to the flying of the Panamanian flag, operation of the zone commissaries, importations into the zone from third countries, the amount of the annuity, the construction of a $20 million bridge across the canal for the special use of the Republic of Panama, return of real estate in Panama City and Colón (market value, $40 million), and many others, without even requesting any reciprocal concessions from Panama. But Panama's demands go far beyond the concessions already made and include the following as stated in a report dated September 20, 1960 to President Chiari by his Committee on International Politics: a guaranteed minimum annuity of $5 million, mixed courts in the Canal Zone, a Panamanian monopoly of supplies needed in the Canal Zone, cessation of all production activities in the zone, use of Panamanian postage in the zone, liquidation of the Panama Railroad, establishment of Spanish as the official language of the zone, corridors under Panamanian jurisdiction across the zone, and acceptance of compulsory jurisdiction of the World Court over controversies between Panama and the United States. This Panamanian program was further clarified—and expanded—in a report of the Planning Department of President Roberto F. Chiari's Executive Office made public on July 15, 1964, with an intimation that it may be presented by Panama in any future negotiations with the United States involving the position of the United States in the Canal Zone. It includes demands for the removal of all residents—both Panamanian and non-Panamanian—from the zone, the imposition of Panama's taxes upon non-Panamanian employees of the canal, the return to Panama's control of all lands in the zone not directly used in the operation of the canal, the transfer to Panama of industrial sites on the canal and control over port areas at both ends of the canal, and the concession to Panama of a voice in setting toll rates.[3]

An announcement by Governor Robert J. Fleming, Jr. of the Canal Zone in March 1964 offers employment to Panamanian nationals as members of the Canal Zone police, thus further compromising the security of the canal and rendering it more susceptible to sabotage. The Canal Zone police are an important force in protecting the canal. To use alien Panamanians in this police force would make it difficult to prevent communist infiltration into the zone. Moreover, it would be a major step toward a "coalition" Canal Zone Government with all the hazards that such would involve. During the disorders last January a Panamanian security guard joined rioters and was photographed while shooting into the Canal Zone. Recently four Panamanians were arrested at an army post in the Canal Zone for making bombs. Certainly, employment of Panamanians on the police force of the zone would be a serious breach in security and should not be permitted.

More than twenty-five years of piecemeal surrenders to Panama of the rights, power, and authority granted to the United States in the 1903 treaty have not placated but merely served to increase Panamanian appetites. For each Panamanian demand our diplomats have failed to make counterclaims, with the result that the United States has withdrawn to the boundaries of the Canal Zone and has been thrown into a defensive position even there, subject to rioting, violence, and loss of life and property. It is submitted that the most practical and urgent thing that should be done to improve relations between the United States and Panama is to clarify and reaffirm our historic canal policy at Panama in favor of the United States ownership and operation of the canal and the removal of the Panama flag from the zone. The United States, having acknowledged Panama's titular sovereignty in the zone, should make unmistakably clear that this acknowledgment does not involve the slightest reduction in its treaty right to exercise full sovereign control over the zone to the entire exclusion of its exercise by Panama.

In conclusion, therefore, continued sovereign control of the Panama Canal Zone by the United States pursuant to treaty commitments is absolutely necessary in the interest of our own and of world commerce and the security of the Western Hemisphere, and should be reaffirmed by positive actions including the removal of any flag from the zone except the flag of the United States. As long as two flags fly in the zone there will be chaos and violence. The first obligation of the United States in the exercise of its complete sovereignty over the zone is to maintain uninterrupted transit through the canal. In fulfilling this obligation it must take a strong stand against any reduction of its sovereign authority there, must prevent all acts of sabotage against the canal, and must receive the full cooperation of the Panamanian authorities to accomplish these objectives.

The Panama problem seems to be boiling up into a crisis situation. Under these circumstances it is imperative that Congress should create an independent commission of highly qualified citizens, comparable in ability to the members of the Walker Commission at the beginning of this century, to consider the entire problem of transisthmian canals, including the diplomatic aspects of the problem, with a view to the adoption of basic legislation which will clarify the position of the United States in relation to these matters.

RESOLUTION NO. 547 OF THE 48TH ANNUAL NATIONAL CONVENTION OF THE AMERICAN LEGION

Committee: Foreign Relations.

Subject: Panama Canal.

Whereas, in a joint statement on September 24, 1965, Presidents Johnson of the United States and Robles of Panama announced that the two countries were negotiating new treaties with respect to the existing Panama Canal and a new "sea-level" canal which might be constructed across Panama; and

Whereas, that statement made clear that the 1903 treaty "will be abrogated" and that

[3] *New York Times*, July 16, 1964.

its replacement "will terminate after a specified number of years or on the date of the opening of the sea-level canal whichever occurs first;" and

Whereas, there is no assurance at this time that the construction of a sea-level canal will be determined to be feasible, either in Panama or elsewhere in the area, or that a satisfactory treaty respecting such new canal can be secured so as to provide the United States with the necessary rights for its effective operation and protection; and

Whereas, in the interim, this situation places in serious jeopardy the rights of the United States respecting the existing canal; and

Whereas, the Congressionally authorized Commission currently studying the feasibility of constructing a new interoceanic canal is restricted to studies relative to a "sea-level" canal; and

Whereas, various proposals, such as one known as the "Terminal Lakes Plan," have been advanced for the modernization of the existing Panama Canal, based upon study by competent students of many years experience in maintaining and operating the Canal; and

Whereas, such proposals would not require a new treaty with the Republic of Panama and would not jeopardize the U.S. rights in the Canal Zone; now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Washington, D.C., August 30, 31–September 1, 1966, That The American Legion (1) reaffirms its support of the basic and still existing provisions of the 1903 treaty, and the continued, indispensable sovereign control by the United States over the Canal Zone; (2) urges the enactment of legislation (similar to the Anderson-Flood-Bow bills of the 89th Congress) to establish an independent, broadly-based "Interoceanic Canals Commission," having as its mandate the examination of *all* tangible possibilities for improving and increasing trans-Isthmian transit capacity, followed by appropriate recommendation, and (3) urges that, until such a commission is duly created and makes its report, all further negotiations with the Republic of Panama be deferred.

H.R. 9981

A bill to create the Interoceanic Canals Commission, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Interoceanic Canals Commission Act of 1967".

SEC. 2. (a) A commission is hereby created, to be known as the "Interoceanic Canals Commission" (hereinafter referred to as the "Commission"), and to be composed of eleven members to be appointed by the President, by and with the advice and consent of the Senate, as follows: One member shall be a commissioned officer of the line (active or retired) of the United States Army; one member shall be a commissioned officer of the line (active or retired) of the United States Navy; one member shall be a commissioned officer of the line (active or retired) of the United States Air Force; one member shall be a commissioned officer of the Corps of Engineers (retired) of the United States Army; and seven members from civil life, four of whom shall be persons learned and skilled in the science of engineering. The President shall designate one of the members from civil life as Chairman, and shall fill all vacancies on the Commission in the same manner as original appointments are made. The Commission shall cease to exist upon the completion of its work hereunder.

(b) The Chairman of the Commission shall receive compensation at the rate of $30,000 per annum, and the other members shall receive compensation at the rate of $28,500 per annum, each; but the members appointed from the Army, Navy, and Air Force shall receive only such compensation, in addition to their pay and allowances as will make their total compensation from the United States $28,500 each.

SEC. 3. The Commission is authorized and directed to make and conduct a comprehensive investigation and study of all problems involved or arising in connection with plans or proposals for—

(1) an increase in the capacity and operational efficiency of the present Panama Canal through the adaptation of the third locks projects (53 Stat. 1409) to provide a summit-level terminal lake anchorage in the Pacific end of the canal to correspond with that in the Atlantic end, or by other modification or design of the existing facilities;

(2) the construction of a new Panama Canal of sea-level design, or any modification thereof;

(3) the construction and ownership, by the United States, of another canal or canals connecting the Atlantic and Pacific Oceans;

(4) the operation, maintenance, and protection of the Panama Canal, and of any other canal or canals which may be recommended by the Commission;

(5) treaty and territorial rights which may be deemed essential hereunder; and

(6) estimates of the respective costs of the undertakings herein enumerated.

SEC. 4. For the purpose of conducting all inquiries and investigations deemed necessary by the Commission in carrying out the provisions of this Act, the Commission is authorized to utilize any official reports, documents, data, and papers in the possession of the United States Government and its officials; and the Commission is given power to designate and authorize any member, or other officer, of the Commission, to administer oaths and affirmations, subpena witnesses, take evidence, procure information and data, and require the production of any books, papers, or other documents and records which the Commission may deem relevant or material for the purposes herein named. Such attendance of witnesses, and the production of documentary evidence, may be required from any place in the United States, or any territory, or any other area under the control or jurisdiction of the United States, including the Canal Zone.

SEC. 5. The Commission shall submit to the President and the Congress, not later than two years after the date of the enactment hereof, a final report containing the results and conclusions of its investigations and studies hereunder, with recommendations; and may, in its discretion, submit interim reports to the President and the Congress concerning the progress of its work. Such final report shall contain—

(1) the recommendations of the Commission with respect to the Panama Canal, and to any new interoceanic canal or canals which the Commission may consider feasible or desirable for the United States to construct, own, maintain, and operate;

(2) the estimates of the Commission as regards the approximate cost of carrying out its recommendations; and like estimates of cost as to the respective proposals and plans considered by the Commission and embraced in its final report; and

(3) such information as the Commission may have been able to obtain with respect to the necessity for the acquisition, by the United States, of new, or additional, rights, privileges, and concessions, by means of treaties or agreements with foreign nations, before there may be made the execution of any plans or projects recommended by the Commission.

SEC. 6. The Commission shall, without regard to the civil service laws, appoint a secretary and such other personnel as may be necessary to carry out its functions, who shall serve at the pleasure of the Commission and shall receive compensation fixed in accordance with the Classification Act of 1949, as amended.

SEC. 7. The Commission is hereby authorized to appoint and fix the compensation of such engineers, surveyors, experts, or advisers deemed by the Commission necessary hereunder, as limited by the provisions in title 5, United States Code, section 55a; and may make expenditures, in accordance with the Travel Expense Act of 1949, as amended, and the Standardized Government Travel Regulations, for travel and subsistence expenses of members of the Commission and its employees while away from their homes or regular places of business; for rent of quarters at the seat of government, or elsewhere; for personal services at the seat of government, or elsewhere; and for printing and binding necessary for the efficient and adequate functions of the Commission hereunder. All expenses of the Commission shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the Chairman of the Commission, or such other official of the Commission as the Commission may designate.

SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions and purposes of this Act.

SEC. 9. The Act entitled "An Act to provide for an investigation and study to determine a site for the construction of a sea-level canal connecting the Atlantic and Pacific Oceans" (Public Law 88–609, 78 Stat. 990), is hereby repealed.

UNITED STATES AND NORTHEAST AFRICA

Mr. RARICK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

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

There was no objection.

Mr. RARICK. Mr. Speaker, the present African conflict involving Israel and the Arab nations has gained banner headlines around the Nation and world.

So that our colleagues may have some background information, I insert the May 24 release of William Ryan, and an article from the New York Times of May 22, 1967, plus the official U.S. policy in this area from the U.S. State Department bulletin.

The latter bulletin includes remarks of the official "Tripartite Declaration" of May 25, 1950; President Truman's statement of the same date; President Eisenhower's statement of November 9, 1955; Secretary Dulles' statement of February 6, 1956; President Kennedy's statement on May 8, 1963; and Ambassador Goldberg's statements of October 28, 1966.

The material follows:

JEWISH-ARAB HATE STIRS SERIES OF WORLD CRISES

(By William L. Ryan)

The fierce hatred between Jews and Arabs in the Middle East dates back exactly 50 years, and there is no prospect that it will abate while Israel remains an independent state.

That hatred has been responsible for years of turmoil and a succession of world crises. Now the world looks at another which could involve the great powers.

What seems an eternally insoluble problem had its beginnings in World War I. Before America lent a hand in 1917, the Allies' backs were to the wall. Russia was collapsing in revolution. England looked everywhere for straws to grasp. The search led to nego-

tiations with Zionist and world Jewish leaders in what Winston Churchill called a "practical measure" seeking world Jewry's aid in the war effort.

The result was the Balfour Declaration, promising Britain's "best endeavors" to realize what Zionist leaders dreamt of—a Jewish nation in the ancient Biblical "Promised Land" of Israel—Palestine.

When the war ended, Britain received a League of Nations mandate in Palestine. Zionists began working and planning for their national home. Jews flowed in from Europe. And Arabs claimed they had been betrayed.

World War II hastened the pace of history. Nazi Germany's brutal treatment of Jews aroused world sympathy and, after the war, applied steam behind the Zionist cause. Jewish immigration increased sharply.

The British attempted to limit the flow of immigrants and the Jews reacted sharply with an anti-British campaign.

In Palestine, Jews organized underground terror units to push their aims—Irgun Zvai Leumi, the Stern Gang and Haganah, the latter the nucleus of what would be the Israeli army. The critical moment came in November, 1947.

ADOPT PARTITION PLAN

The United Nations, trying to apply reason to growing chaos, adopted a partition plan. It would give 56 percent of Palestine to a proposed Israel, 44 percent to a proposed Arab state. Jerusalem would be internationalized, accessible to all three great faiths, Jewish, Christian and Moslem.

Again the Arabs cried "betrayal." Though the resolution purported to protect the rights of inhabitants, Arabs said Jews owned less than 10 percent of land which would be given them, and Jews were by far the minority.

The Zionist underground mounted a campaign of terror, against the British to end the mandate, and against Arab villages and towns, driving out the inhabitants. Before the British mandate ended May 14, 1948, Zionist forces occupied much of what had been set apart for Arabs and most of Jerusalem's proposed international zone.

As the British withdrew, the Jews proclaimed the state of Israel and Jerusalem became a divided city.

Armies from surrounding Arab nations attacked but fared badly agains the well-equipped, modern-minded Jews.

The wily Emir Abdullah, head of the unlikely little British-created state of Transjordan, moved in with his British-trained Arab Legion and seized all Palestine east of the Jordan River. He proclaimed a kingdom of the Jordan.

A U.N.-sponsored truce ended the fight in mid-1949. Arabs withdrew in defeat. In Jordan, a Moslem tailor in 1951 assassinated Abdullah, whom many Arabs called traitor. After a brief interim young Hussein, Abdullah's grandson, mounted the throne.

In Egypt in 1952, a young officer named Gamal Abdel Nasser overthrew a corrupt monarch and Egypt became a Socialist-leaning republic.

The Arabs nursed resentment of the United States and Britain for the creation of Israel and denounced the power bloc Baghdad Pact, linking Arab Iraq to the West, as an instrument of "imperialism." Little Jordan found the presence of its British uncle embarrassing, sent him packing, and has experienced turmoil ever since.

SUEZ CANAL NATIONALIZED

The Arab east picture changed abruptly in 1955 with a sudden intrusion of Soviet and Communist-bloc influence in the form of arms to Egypt. With new strength Nasser in 1956 announced nationalization of the Suez Canal. Britain and France conspired with Israel to attack Egypt that fall, and Israelis drove all the way to the canal as Egypt's army collapsed. U.S. and Soviet pressure brought the ill-starred adventure to an end.

The crisis subsided, but not Arab hatred.

For two years thereafter, the Arab east was almost in permanent crisis. The climax came in 1958 with a rebellion in Lebanon, which brought a landing of U.S. Marines, and a bloody revolution in Iraq, ending the monarchy and the Baghdad Pact. Jordan's throne almost collapsed along with Iraq's.

Again the area simmered down.

Egypt turned inward to internal economic difficulties. Syria seceded from Nasser's United Arab Republic after a brief and restless union. Arab nations were too weak and too disunited to face up to Israel's military power.

Then internal pressures, food problems and other woes, possibly combined with an urge to rebuild his image as an all-Arab leader, appeared to impel Nasser to support Syria in a quarrel with Israel over border clashes. The crisis mounted slowly but steadily since last fall, as if by it own momentum.

Now, once again, the Middle East looks at the unwelcome prospect of general war.

[From the New York Times, May 22, 1967]

U.S. PLEDGE ON ISRAEL-ARAB BORDERS DATES TO 1950—TRUMAN AND SUCCESSORS HAVE STRESSED OPPOSITION TO USE OF FORCE IN THE REGION

WASHINGTON, May 21.—The United States has a commitment dating from 1950, when Harry S. Truman was President, to preserve the frontiers of Israel and the adjacent Arab countries.

The commitment has not been emphasized by Administration officials during the current period of acute tension in the Middle East. But, in the absence of any statement to the contrary, it stands.

The underlying United States policy has been restated, in varying degrees of precision, by Presidents Eisenhower, Kennedy and Johnson. The commitment to oppose armed aggression applies to an Israeli attack on any Arab country as well as to an Arab attack on Israel.

The most formal statement of the commitment was in a declaration by Britain, France and the United States May 25, 1950.

OPPOSE "USE OF FORCE"

The statement said:

"The three governments take this opportunity of declaring their deep interest in and their desire to promote the establishment and maintenance of peace and stability in the area and their unalterable opposition to the use of force or threat of force between any of the states in that area.

"The three governments, should they find that any of these states was preparing to violate frontiers or armistice lines, would, consistently with their obligations as members of the United Nations, immediately take action, both within and outside the United Nations, to prevent such violation."

Subsequently, on June 1, 1953, after the Republicans had assumed power, Secretary of State John Foster Dulles recalled the declaration in a radio address and said, "The present U.S. Administration stands fully behind that declaration."

He had preceded this remark by saying, "that declaration when made, did not reassure the Arabs."

ECHOED BY EISENHOWER

In his State of the Union Message to Congress on Jan. 5, 1957, President Eisenhower said: "We have shown, so that none can doubt, our dedication to the principle that force shall not be used internationally for any aggressive purposes and that the integrity and independence of the nations of the Middle East should be inviolate."

Speaking of the Middle East in a press conference on May 8, 1963, President Kennedy said:

"In the event of aggression or preparation for aggression, whether direct or indirect, we would support appropriate measures in the United Nations, adopt other courses of action on our own to prevent or to put a stop to such aggression; which, of course, has been the policy which the United States has followed for some time."

President Johnson has twice reiterated the basic pledge. On June 2, 1964, a joint communiqué with Israel's Premier, Levi Eshkol, stated:

"He [Mr. Johnson] reiterated to Prime Minister Eshkol U.S. support for the territorial integrity and political independence for all countries in the Near East and emphasized the firm opposition of the U.S. to aggression and the use of force or the threat of force against any country."

KENNEDY STAND RECALLED

More than two years later, on Aug. 2, 1966, when President Zalman Shazar of Israel visited Washington, President Johnson said:

"As our beloved, great late President, John F. Kennedy, said on May 8, 1963, as a declaration of the leader of this country and as a spokesman for this land: 'We support the security of both Israel and her neighbors. We strongly oppose the use of force or the threat of force in the Near East.' We subscribe to that policy."

In addition, the United States has a special commitment to free access to Israel's southern port of Elath, on the Gulf of Aqaba. On Feb. 1, 1957, Secretary of State Dulles said in an aide memoire to Israel's Foreign Minister, Abba Eban:

"With respect to the Gulf of Aqaba and access thereto, the United States believes that the gulf comprehends international waters and that no nation has the right to prevent free and innocent passage in the gulf and through the straits giving access thereto. We have in mind not only commercial usage, but the passage of pilgrims on religious missions, which should be fully respected.

"In the absence of some overriding decision to the contrary, as by the International Court of Justice, the United States, on behalf of vessels of United States registry, is prepared to exercise the right of free and innocent passage and to join with others to secure general recognition of this right."

U.S. DECLARATION URGED

Two American Jewish groups urged yesterday that the United States reaffirm its commitment to Israel.

The American Jewish Committee, ending its 61st annual meeting at the Waldorf-Astoria approved a resolution calling for "the immediate and unequivocal reaffirmation" of what it termed "the fundamental United States commitment to Israel."

The National Governing Council of the American Jewish Congress, meanwhile, urged President Johnson to make an "unequivocal declaration that the United States will not tolerate attempts by Arab states to act out their repeated threats to overwhelm Israel by force of arms."

The council acted at a meeting at the Stephen Wise Congress House, 15 East 84th Street.

[From the Department of State Bulletin No. 5, June 1950]

TRIPARTITE DECLARATION REGARDING SECURITY IN THE NEAR EAST

THREE-POWER STATEMENT

The Governments of the United Kingdom, France, and the United States, having had occasion during the recent Foreign Ministers meeting in London to review certain questions affecting the peace and stability of the Arab states and of Israel, and particularly

that of the supply of arms and war materials to these states, have resolved to make the following statements:

1. The three Governments recognize that the Arab states and Israel all need to maintain a certain level of armed forces for the purposes of assuring their internal security and their legitimate self-defense and to permit them to play their part in the defense of the area as a whole. All applications for arms or war material for these countries will be considered in the light of these principles. In this connection the three Governments wish to recall and reaffirm the terms of the statements made by their representatives on the Security Council on August 4, 1949, in which they declared their opposition to the development of an arms race between the Arab states and Israel.

2. The three Governments declare that assurances have been received from all the states in question, to which they permit arms to be supplied from their countries, that the purchasing state does not intend to undertake any act of aggression against any other state. Similar assurances will be requested from any other state in the area to which they permit arms to be supplied in the future.

3. The three Governments take this opportunity of declaring their deep interest in and their desire to promote the establishment and maintenance of peace and stability in the area and their unalterable opposition to the use of force or threat of force between any of the states in that area. The three Governments, should they find that any of these states was preparing to violate frontiers or armistice lines, would, consistently with their obligations as members of the United Nations, immediately take action, both within and outside the United Nations, to prevent such violation.

STATEMENT BY THE PRESIDENT

During the recent meeting in London, the Foreign Ministers of the United States, the United Kingdom, and France had an opportunity to review the security and armaments situation in the Near East and to consider what action their Governments might take to provide greater stability in the area. As a result of this consultation, a 3-power declaration is being issued. This is another of the many valuable results of the London meeting.

The participation of the United States Government in the declaration emphasizes this country's desire to promote the maintenance of peace in the Near East. It is the belief of the United States Government that the declaration will stimulate, in the Arab states and Israel, increased confidence in future security, thus accelerating the progress now being made in the Near East and contributing toward the well-being of the people there.

[From Department of State Bulletin]

DEVELOPMENTS IN THE NEAR EAST

STATEMENT BY PRESIDENT EISENHOWER

All Americans have been following with deep concern the latest developments in the Near East. The recent outbreak of hostilities has led to a sharp increase in tensions. These events inevitably retard our search for world peace. Insecurity in one region is bound to affect the world as a whole.

While we continue willing to consider requests for arms needed for legitimate self-defense, we do not intend to contribute to an arms competition in the Near East because we do not think such a race would be in the true interest of any of the participants. The policy which we believed would best promote the interests and the security of the peoples of the area was expressed in the Tripartite Declaration of May 25, 1950.[1] This still remains our policy.

I stated last year that our goal in the Near East as elsewhere is a just peace. Nothing has taken place since which invalidates our fundamental policies, policies based on friendship for all of the peoples of the area.

We believe that true security must be based upon a just and reasonable settlement. The Secretary of State outlined on August 26th[2] the economic and security contributions which this country was prepared to make toward such a solution. On that occasion I authorized Mr. Dulles to state that, given a solution of the other related problems, I would recommend that the United States join in formal treaty engagement to prevent or thwart any effort by either side to alter by force the boundaries between Israel and its Arab neighbors.

Recent developments have made it all the more imperative that a settlement be found. The United States will continue to play its full part and will support firmly the United Nations, which has already contributed so markedly to minimize violence in the area. I hope that other nations of the world will cooperate in this endeavor, thereby contributing significantly to world peace.

U.S. POLICY IN THE MIDDLE EAST

(NOTE.—Following is an exchange of correspondence between Secretary Dulles and a group of 40 members of the House of Representatives:)

SECRETARY DULLES TO MEMBERS OF HOUSE OF REPRESENTATIVES

FEBRUARY 6, 1956.

GENTLEMEN: I have your letter of February 3. I share your concern at the continuing tense situation in the Near East, and at the persistent threat it represents to the peace. Let me say that the foreign policy of the United States embraces the preservation of the State of Israel. It also embraces the principle of maintaining our friendship with Israel and the Arab States.

The Government of Israel, feeling that its peaceful existence is threatened by the large amount of arms now made available to certain Arab countries by the Soviet bloc, desires to purchase from the United States and other countries additional armament to balance what it considers to be the increased threat against it.

The United States recognizes that current developments would create a disparity in armed force between Israel and its Arab neighbors. However, we are not convinced that that disparity can be adequately offset by additional purchases of arms by the State of Israel. Israel has a population of under two million, whereas the Arab population amounts to tens of millions, and they apparently have been offered access to huge stores of Soviet block material. Under this circumstance the security of Israel can perhaps better be assured by means other than an arms race.

The having in hand, by Israel, of equal or superior arms is not the only deterrent to aggression. Israel is a creation of, and member of, the United Nations; the Arab States are also members, and all are solemnly bound by that Charter to refrain in their international relations from the threat or use of force. The United Nations organization is capable of providing many forms of protection. Furthermore, the United States in 1950 joined with the United Kingdom and France to declare a policy of action within and without the United Nations to deter aggresssion by either side against the other. United States policy in that respect has recently been reemphasized in the statement issued on February 1, 1956, by President Eisenhower and Prime Minister Eden.[1] The combined influence of the nations which would, under the United Nations Charter and the Tripartite Declaration, be against any armed aggression is a far more effective deterrent to any potential aggressor than any amount of arms which could be obtained by either side.

We do not exclude the possibility of arms sales to Israel. But it is our belief that the security of states in the Near East cannot rest upon arms alone but rather upon the international rule of law and upon the establishment of friendly relations among neighbors. We are actively working toward the establishment of such relations.

In my speech of August 26, 1955,[2] made with President Eisenhower's concurrence, I referred to the fear and tension rising in the area from the lack of fixed permanent boundaries and indicated U.S. willingness to assist the parties in substituting agreed frontiers for armistice lines. To encourage the parties to work toward such agreement and to assure them that the United States would be prepared to make its contribution to the maintenance of international respect for such boundaries, I stated that the President would recommend that the United States participate in an international guarantee of agreed frontiers. That statement still stands.

You inquire about economic aid. United States policy in the extension of economic aid is based upon the desire to strengthen other free nations. In the case of each aid program we take into account the nature of the project in question and the purpose for which it was intended. I can assure you that United States aid would not be extended for purposes or under circumstances which we judged would undermine peace in any part of the world.

The Arab refugees remain perhaps the most important single source of bitterness existing between the Arab States and Israel. In my speech of August 26, 1955, I proposed that the problem of the Arab refugees be attacked in several ways. I suggested United States participation in an international loan to Israel to assist her in funding her obligation to pay compensation for property left in Israel by the refugees and which is now being utilized by Israel. I recommended assistance to Israel and the Arab States in the rehabilitation of the refugees both by repatriation to Israel to such extent as may be feasible and resettlement in adjoining Arab States. In this connection the Arab States and Israel have accepted, on a technical basis, the Jordan Valley plan which would provide new economic opportunities for several hundred thousand refugees. But final political approval remains to be achieved. Thus, some progress has been realized, but much remains to be done.

I know that you all understand that it is not practical, or in the interest of the goals we seek to discuss publicly all of the factors involved in this complicated situation. I know you also recognize that the problems of this area must be studied in the larger context of the free world's unceasing struggle against international communism. I have, however, no hesitation in declaring that the United States, seeking for itself to avoid involvement in war, is earnestly striving as a friend of both Israel and its Arab neighbors to relieve the present tension in the area. If the political and economic developments should subsequently become such as to make Congressional action desirable or necessary, the President would, of course, promptly communicate with the Congress.

Sincerely yours,

JOHN FOSTER DULLES.

TRIPARTITE MEETING ON SITUATION IN MIDDLE EAST

Representatives of the United States, the United Kingdom, and France met on February 8 to consider the situation in the Middle East. As members of the United Nations, the three Governments share in the responsibility of all members to be alert and vigilant to threats to international peace and security.

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[1] For text of declaration, see BULLETIN of June 15, 1953, p. 834, footnote 2.

[2] *Ibid.*, Sept. 5, 1955, p. 378.

[1] BULLETIN of Feb. 13, 1956, p. 232.

[2] *Ibid.*, Sept. 5, 1955, p. 378.

In light of the increased tension in the Middle East and in accordance with their undertakings in the Tripartite Declaration of May 25, 1950, the United States, the United Kingdom, and France believed it would be useful to discuss their responsibilities under that declaration.

This was a preliminary exchange of views, and further consultations will take place.

EXCERPT FROM PRESIDENT KENNEDY'S PRESS CONFERENCE, MAY 8, 1963

Q. Mr. President, do you consider the situation in the Middle East, the balance of power there, to have been changed as a result of recent developments, and what is the U.S. policy towards the security of Israel and Jordan in case they are threatened?

A. I don't think that the balance of military power has been changed in the Middle East in recent days. Obviously there are political changes in the Middle East which still do not show a precise pattern and on which we are unable to make any final judgments. The United States supports social and economic and political progress in the Middle East. We support the security of both Israel and her neighbors. We seek to limit the Near East arms race which obviously takes resources from an area already poor, and puts them into an increasing race which does not really bring any great security.

We strongly oppose the use of force or the threat of force in the Near East, and we also seek to limit the spread of communism in the Middle East which would, of course, destroy the independence of the people. This Government has been and remains as strongly opposed to the use of force or the threat of force in the Near East. In the event of aggression or preparation for aggression, whether direct or indirect, we would support appropriate measures in the United Nations, adopt other courses of action on our own to prevent or to put a stop to such aggression, which, of course, has been the policy which the United States has followed for some time.

UNITED STATES AND ISRAEL REAFFIRM TIES OF FRIENDSHIP

(NOTE.—President Zalman Shazar of Israel visited Washington August 2–3 and met informally with President Johnson on August 2. Following is an exchange of toasts between the two Presidents at a state dinner at the White House on August 2:)

President JOHNSON. Mr. President, ladies and gentlemen: In the traditional Hebrew greeting we welcome our esteemed guest: *Baruch ha-ba*—blessed is he who comes to our shores as the leader of a people for whom we hold the greatest admiration.

Mr. President, as a renowned scholar and educator, and as a pioneer in the new Israel, you are deeply versed in the teachings of the Bible.

And you know that our Republic, like yours, was nurtured by the philosophy of the ancient Hebrew teachers who taught mankind the principles of morality, of social justice, and of universal peace.

This is our heritage, and it is yours.

The message inscribed on the Liberty Bell in Philadelphia is the clarion call of Leviticus: "Proclaim Liberty throughout all the Land unto all the Inhabitants Thereof." It is a message not only for America, or for Israel, but for the whole world.

We cannot proclaim tonight that all men have liberty, that all men are moral, that all men are just. We do not have universal peace.

But those of good will continue their work, to liberate the human spirit from the degradation of poverty and pestilence, of hunger, and oppression. As spiritual heirs of the Biblical tradition we recognize that no society anywhere can be more secure unless it is also just.

Israel today carries forward its pursuit of spiritual values. It is sharing those values and those experiences with other countries in the world.

We in America, as we meet here with all of our blessings tonight, are keenly aware that God has showered our land with abundance. The sharing of our blessings with others is a value we hold in common with Israel.

Above all, Mr. President, we share in common the vision of peace you call *shalom*.

The prophet Micah described it in this way: that every man sit under his vine and fig tree and "none shall make him afraid."

As our beloved, great, late President, John F. Kennedy, said on May 8, 1963, as a declaration of the leader of this country and as spokesman for this land: "We support the security of both Israel and her neighbors. . . . We strongly oppose the use of force or the threat of force in the Near East. . . ."

We subscribe to that policy.

This I say in friendship for all the peoples of that region. We extend to all the hand of friendship and offer to help all in meeting the challenges of fear and pestilence and poverty.

We look toward the happy and peaceful pursuits that can bring tranquillity and the blessings of knowledge and understanding to all peoples, without fear of war.

We welcome you tonight, Mr. President, in friendship and in deep respect for you and the people of your country.

I should like to ask all gathered here to join me in the traditional Hebrew toast in honor of our distinguished guest—to life, to peace, to blessing for all mankind.

AMBASSADOR GOLDBERG—STATEMENT OF OCTOBER 28

As stated on many other occasions before the Security Council, in dealing with various aspects of this matter, United States policy respects the sovereignty and territorial integrity of all countries in the Middle East, member states of the United Nations, as the United States is required to do under the charter. United States policy firmly supports maintenance of a peaceful situation in the Middle East and seeks to prevent and to bring to an end all acts of violence across existing frontiers, regardless of the direction in which they accur. In the unfortunate instances where violence does occur, the United States has consistently called for utilization of United Nations machinery on the spot and for recourse to the Security Council as the proper forum of prevention and redress.

Implicit in this policy is the concept that when resort is made to the United Nations machinery and to the Security Council, the United Nations must take strong and effective action to bring to an end the use of violence across these frontiers in any form.

U.N. SECURITY COUNCIL CENSURES ISRAEL FOR RAID AGAINST JORDAN

(NOTE.—Following is a statement made in the U.N. Security Council by Arthur J. Goldberg, U.S. Representative to the United Nations, on November 16 during debate on a Jordan complaint against Israel, together with the text of a resolution adopted by the Council on November 25:)

STATEMENT BY AMBASSADOR GOLDBERG

Immediately after learning of the incident now before the Council, on Sunday morning, I issued a statement on behalf of my Government expressing our strong disapproval of the large-scale Israeli military action on Jordanian territory on November 13.[1] As far as I am aware, the statement of my Government condemning this attack was the first and most prompt statement made by any Government represented on this Council, at least here in New York. The United States then condemned this raid and condemns it now, deeming it in clear violation of the solemn obligations undertaken by Israel in the General Armistice Agreements. And what makes it of course most deplorable is the tragic toll in human lives of this inexcusable action.

On October 14 I stated before the Council my Government's policy of seeking to promote conditions of peace and stability in the Middle East and our opposition to the use of force across Middle East boundaries regardless of the direction from which it came.[2] This was the purpose of our statement on Sunday. This was our objective in the recently concluded Security Council action when Israel was the complainant. It continues to be our objective in the present consideration of this deplorable violation of the General Armistice Agreements.

I said in our last debate—I now repeat—that violence breeds violence, and indeed, it should be and must be the function of this Council to assure conditions of peace and stability in the area.

At the end of our last debate over Syrian responsibility for incursions into Israel, I stated:

"Despite the Soviet veto, it is nevertheless a matter of high import, not to be ignored, that the resolution received such widespread support by members on a broadly geographical basis."

I urged the implementation of the essential features of the resolution in the interests of peace and stability in the area. That urging was addressed to all countries concerned, including the Government of Israel.

I made that statement on November 4. Nine days later, as the Secretary-General has told us in his report[3] and as confirmed by reports of our ambassadors in the area, the Government of Israel carried out, with the support of tanks, armored vehicles, heavy weapons and aircraft, a raid into Jordan the nature of which and whose consequences in human lives and in destruction far surpass the cumulative total of the various acts of terrorism conducted against the frontiers of Israel. Although we do not have the full details which have been promised us by the Secretary-General, nevertheless, from his report and from what we have been advised, the basic nature of this destructive raid is sufficiently known in outline.

Now we are dealing with the complaint of Jordan here before us. And on behalf of my Government, I wish to make it absolutely clear that this large-scale military action cannot be justified, explained away, or excused by the incidents which preceded it, in which the Government of Jordan has not been implicated. This is not a new attitude by my Government. My Government has expressed itself about retaliatory raids in the past. Deplorable as these preceding incidents were—and they were deplorable, as we said on Sunday—this deliberate, governmental decision must be judged as the conscious act of responsible leaders of a member state and therefore on an entirely different level from the earlier incidents, which we continue to deplore.

It was undertaken without proper utilization of United Nations machinery in the area, notably the Mixed Armistice Commission, which in this situation, unlike some others we have had to consider, is fully functioning between Israel and Jordan. It was also undertaken without any effort to use again, and again if necessary, the good offices of the Security Council, a failure made even more inexplicable by the fact that the Council had just completed extended discussion of an Israeli complaint against Syria for similar incidents during which over two-thirds of the members had spoken out against such terroristic activities. I am aware that that resolution was vetoed. But, nevertheless, the

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[1] For text, see U.S./U.N. press release 4975 dated Nov. 13.

[2] See p. 969.

[3] U.N. doc. S/7593 and Corr. 1 and Add. 1.

forum of this Council is still available to members, as it is available today, and it is our view that it should always be restored to and we feel it is the duty of member states to resort to the Council for its consideration of the matter.

MEN OF CONSCIENCE MUST NOT REMAIN SILENT AT THIS TIME

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

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

There was no objection.

Mr. CONYERS. Mr. Speaker, "Men of conscience must not remain silent at this time." This, my colleagues, was the opening sentence in a statement by religious leaders of all the major faiths in America that appeared in yesterday's New York Times which called "on the administration to support the independence, integrity, and freedom of Israel."

That statement was written before the outbreak of actual war in the Middle East, but certainly this morning's developments give that statement the greatest urgency. The continued existence of Israel is vital for political stability in the Middle East and therefore vital for the maintenance of world peace. The United States, which had so much to do with the establishment of Israel in 1948 and which has so repeatedly and strongly pledged to Israel its continued support, has the clearest legal and moral obligation to defend Israel against those apparently committed to its destruction.

On May 23, I joined with the distinguished dean of the House of Representatives, Congressman EMANUEL CELLER, and more than a hundred of my colleagues in pledging our mutual support to "measures which must be taken by the administration to make our position unmistakably clear that we are now prepared to take whatever action may be necessary to resist aggression against Israel and to preserve the peace."

I want to again urge the President to take strong, effective and immediate action to "resist aggression against Israel and to preserve the peace." If we wait any longer, the hourly changing situation in the Middle East could result in the destruction of Israel.

Under unanimous consent I place the May 23 statement at this point in my remarks:

Egypt and Syria are now threatening Israel and we fear that war in the Near East is inevitable unless the United States acts firmly and vigorously to prevent it. President Nasser's speech to his troops in Sinai yesterday was in effect a declaration of war. We note with dismay that the Soviet Union is encouraging and arming Egypt and Syria in a bold move to win influence and power in the Middle East. Once again the Soviet Union appears to be testing American resolve to defend the peace.

The United States Government, speaking through Presidents Truman, Eisenhower, Kennedy and Johnson, and through the Congress of the United States has repeatedly declared its determination to act against aggression in the Middle East. And we note with appreciation the declaration of a White House spokesman that—

"This country is of course, committed to the principle of maintaining peace in the Middle East. This has been our position over the years. It is still our position."

Consistent with that declaration, we pledge the fullest support to measures which must be taken by the Administration to make our position unmistakably clear to those who are now bent on the destruction of Israel, that we are now prepared to take whatever action may be necessary to resist aggression against Israel and to preserve the peace.

We are confident that the people of the United States will support such a policy.

The statement by religious leaders of all the major faiths in America demonstrates the maintenance of the State of Israel, including the vital question of freedom of passage at the Straits of Tiran, is a matter of deep concern to Americans of all faiths and backgrounds. I place that statement at this point in my remarks:

THE MORAL RESPONSIBILITY IN THE MIDDLE EAST

In the current crisis in the Middle East, men of good faith must recognize their moral responsibility to maintain freedom of passage at the Straits of Tiran. The following statement by a cross section of prominent Christian clergymen and religious editors reflects the views of thousands of church leaders throughout the United States. It eloquently clarifies the full meaning of the moral responsibility in the Middle East, where Israel has worked so hard to achieve the right to live in peace.

"Pray For The Peace of Jerusalem" Psalms, 122: 6.

Men of conscience must not remain silent at this time. The Middle East is on the brink of war. President Nasser of Egypt has initiated a blockade of an international waterway: the Straits of Tiran, Israel's sea-lane to Africa and Asia. This blockade may lead to a major conflagration.

The Middle East has been an arena of tension due to the threat of continued terrorist attacks, as well as the recent Arab military mobilization along Israel's borders. Let us recall that Israel is a new nation whose people are still recovering from the horror and decimation of the European holocaust.

President Johnson has called the blockade "illegal and potentially disastrous" to world peace.

We therefore call on the United States government steadfastly to honor its commitments to the freedom of international waterways. We call on our fellow Americans of all persuasions and groupings and on the administration to support the independence, integrity and freedom of Israel.

Men of conscience all over the world bear a moral responsibility to support Israel's right of passage through the Straits of Tiran.

The people of Israel have the right to live and develop in tranquility and without fear. The Middle East requires respite and peace.

"Seek peace and pursue it." (Psalms, 34: 15)

The Rev. John C. Bennett, President Union Theological Seminary.

The Rev. Robert McAfee Brown, Professor of Religion, Stanford University.

The Rev. Thurston N. Davis, S. J., Editor, *America*.

The Rev. Martin Luther King, Jr., President, Southern Christian Leadership Conference.

Dr. Franklin H. Littell, President, Iowa Wesleyan College.

Dr. Reinhold Niebuhr, Professor Emeritus of Christian Ethics, Union Theological Seminary.

James O'Gara, Editor, *Commonweal*.

Dr. Daniel Poling, Chaplain, Interfaith Memorial of the Four Chaplains.

The Rev. Alexander Schmemann, Dean, St. Vladamir's Russian Orthodox Seminary.

The Rev. John B. Sheerin, C.S.P., Editor, *The Catholic World*.

Bishop Stephen Gill Spottswood, Washington, D.C., Chairman, National Board of Directors, NAACP.

Bishop Lloyd C. Wicke, Bishop, New York Area, Methodist Church; Former President, Methodist Council of Bishops.

(Affiliations listed for identification only.)

Sponsored as a public service by Americans for Democracy in the Middle East, Charles E. Silberman, Chairman.

My colleagues, I cannot end my remarks on the crisis in the Middle East without discussing Israel's role in the Middle East and throughout the developing areas of the world.

Israel has been a force for stability and progress in the Middle East, even during these troubled years when the Arab governments have so consistently and unalterably worked to maintain animosities against Israel.

In addition, Israel has had a miraculous record for rapid economic development, political stability and social integration of the people of many different national backgrounds who have come to Israel. This example has been of great importance and value to all the developing countries. And Israel has done more than just be an example. Israel has an incredibly large, effective, and tactful technical assistance program for underdeveloped countries all over the world. I am particularly familiar with Israel's great and effective help to the newly independent countries of Africa.

In conclusion, Mr. Speaker, I feel that the United States has an obligation to quickly come to the aid of Israel in the interests of world peace, in its own national interest, for maintenance of stability in the Middle East, and, most unmistakably of all, for moral reasons.

A MODERN TALE OF THE PRODIGAL SON?

Mr. WYLIE. 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 pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, while some economists are pushing their "new economics" theories at home with limited success, it would appear that nations abroad are looking askance at the deficit-spending policies of the Federal Government. A column by the nationally syndicated columnist, Henry J. Taylor, appearing in the Columbus Dispatch of June 5, sums up this reaction nicely:

What we face is a crisis in confidence. The majority of bankers and dollar holders around the world apparently do not believe Washington will whip either the inflation or the over-spending from which so much of it springs.

Apparently, those abroad are not as concerned about our Government's burgeoning spending programs as are some

here at home, although these programs in recent years should be cause for concern. Although the U.S. population has grown 10 percent since 1960, the civilian personnel in the Federal Government has jumped by 25 percent, and the cost of Government payrolls, including military, has grown by 75 percent. Not many will quarrel with the increase for national defense expenditures—including the $22 billion for Vietnam in the 1968 budget—of 68 percent. But how explain the increase since 1960 of 97 percent for nondefense spending? One cannot conveniently blame the Vietnam war for our financial predicament; it is evident that the increases in spending are due to the civilian nondefense activities of the Government.

I include the above-mentioned column by Henry J. Taylor, entitled "Gold Market Dips in Confidence Crisis," in the RECORD at this point.

OUTFLOW, DEFICIT FACTORS—GOLD MARKET DIPS IN CONFIDENCE CRISIS

(By Henry J. Taylor)

Immense volume, highest in history, has hit the London Gold Exchange. The big American budget deficit, and the sight of a softer and softer dollar, sparked it off.

Our balance-of-payments problem is only part of the story. At best, it can only reduce the means by which foreign creditors gain the right to convert dollars into gold. They would not exercise that right on an endangering scale and threaten the dollar if they trusted our financial trend.

What we face is a crisis in confidence. The majority of bankers and other dollar holders around the world apparently do not believe Washington will whip either the inflation or the over-spending from which so much of it springs.

In the world's cold, slow-motion appraisal of what is happening here the unchanging record is governing their views:

The last and fleeting balanced budget was in 1960—before the New Frontier and Great Society took over. President Kennedy inherited a federal debt of $283 billion. We now owe $331 billion. This means that the New Frontier-Great Society has run in the red at the rate of about $8 billion a year—with the Vietnam War now superimposed on top of this.

The last Congress before President Kennedy's Administration appropriated $83.8 billion of the people's money. In the last session President Johnson's congress voted $141 billion for all purposes. The difference is an incredible $57.2 billion.

Our creditors abroad see even in the face of the Vietnam War Washington's nondefense spending has also increased by leaps and bounds. Washington's spending needs priorities and President Johnson and Congress have failed to apply priorities.

Creditor nations and individuals abroad have gradually come to own America's entire gold stock (and billions besides), including the reserve legally required behind our dollar. In fact, our obligations payable in gold have reached about twice our entire gold supply.

Our gold stock is now lower than Europe's Common Market countries. It has gone down every year for 10 years while the Common Market countries' reserves have gone up. So have the rest of the major countries of the world climbed the gold pole while the United States has fallen off it.

When the New Frontier-Great Society took over we held $21 billion in gold—about 54 per cent of the world's monetary supply. Today we hold $13.1 billion—less than 30 per cent. In this period other nations' gold reserves climbed to $27.3 billion by the latest Federal Reserve Board figures. And their additional dollar balances subject to conversion climbed from $13.8 billion to $28.2 billion. The outside world now holds about $55 billion in gold and dollars—nearly twice as much as 10 years ago—while our gold supply has just hit another new low.

Thus we have suffered not only an absolute loss of gold but also an alarming prorata share of the world's gold. Both these losses are larger than those of any other nation. Most others have achieved both an absolute and proportionate increase.

As a result, the United States simply does not command the same pre-eminence in world finance that it formerly did. And which meant so much to Britain in the pound sterling. When we own more and own less and the Washington Robin Hoods of the Red Ink keep operating in the red we can only decline, as Britain did, while other nations advance.

The pressure is further complicated by an added factor. For the first time in a century no gold was added last year to international monetary supplies. Production has fallen as mining costs have mounted. World output has reversed a 16-year trend.

Last year a record 30.9 million ounces, valued at $1.1 billion, was mined. But most of it went to industries or into speculators' or hoarders' hands. Thus the phenomenon: While gold is being bought in unprecedented volume, gold-mining shares on the London Stock Exchange have fallen to the lowest level in 12 years.

The New Frontier-Great Society inherited a gold problem and changed it into a gold crisis that has grown so damaging that it makes President Johnson's monetary responsibility now nearly as consequential as the Chinese-Soviet menace itself.

EXTEND MAILING PRIVILEGES TO SERVICEMEN OVERSEAS

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. BROOMFIELD] 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 Ohio?

There was no objection.

Mr. BROOMFIELD. Mr. Speaker, I rise in support of H.R. 10226, a bill to provide cheaper mailing privileges to our servicemen overseas.

I commend the distinguished members of the House Post Office and Civil Service Committee for their prompt action in bringing this bill to the floor of the House of Representatives.

I have already turned over to the committee some 3,900 letters, cards, and petitions from residents of my congressional district and the surrounding Detroit metropolitan area urging favorable action on this legislation. The mail came in response to a campaign conducted by Mr. Dale C. Burley, a councilman in Hazel Park, Mich., a community in my congressional district.

Most of the mail came from families with loved ones in Vietnam or other U.S. military stations around the world. I am sure that many of you have received similar letters or telephone calls from your congressional districts.

I doubt that we could devote ourselves to a finer cause than the improvement of mail services to our boys overseas, whether in Vietnam or any other part of the world.

Under this legislation, packages weighing up to 30 pounds would be airlifted on a space-available basis upon payment of the regular surface rate plus a small uniform airlift fee to be established by the Postmaster General.

It would mean that packages could be sent overseas for less than half the present rate. In addition, the proposed legislation would improve on the fine work done by the committee a year ago extending the free mailing privileges for letters and sound recordings to all servicemen overseas—not just those in combat zones.

Another major provision of the proposed legislation would eliminate the same distinction in regard to hometown newspapers and magazines. While they may now be mailed free to combat zones only, the bill under consideration today would extend the privilege to all overseas military stations.

I believe that passage of this legislation will round out our efforts to see that all servicemen serving in remote parts of the world have the benefits of fast, efficient, and inexpensive mail service.

CRISIS TO CRISIS

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. HARVEY] 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 Ohio?

There was no objection.

Mr. HARVEY. Mr. Speaker, tomorrow our House Committee on Interstate and Foreign Commerce will resume hearings on House Joint Resolution 559, which is to provide for the settlement of the labor dispute between certain carriers by railroad and certain of their employees. It is my understanding that the committee will commence executive sessions on the measure on Thursday, following testimony by the Honorable Robert S. McNamara, Secretary of Defense, and the Association of American Railroads, tomorrow and Wednesday.

The current railroad dispute is just another in a series of labor disputes which has rocked our Nation's economy. On the horizon is the danger of a most serious impasse in contract renewals in the automotive industry later this year.

For some time, the administration has promised new legislation to deal with strikes that cripple the economy. As has been pointed out, the administration has failed to produce.

As an editorial in the May 31, 1967, Wall Street Journal mentioned, Secretary of Labor W. Willard Wirtz has stated that the need for Congress' intervention in three national strike emergencies in the past 4 years is not "enough to warrant a permanent intrusion on collective bargaining."

The editorial continued:

In other words the nation should go on improvising from crisis to crisis, hoping that in time the trouble will just go away.

Mr. Speaker, I disagree with Secretary Wirtz, and I am further convinced that

our Nation, because of commitments abroad and at home, can ill afford to go along its merry way improvising.

The recent strike in the trucking industry was extremely damaging in the Midwest. The so-called 3.2-percent wage guideline has long been discarded.

It is because of recent disputes, current developments, and an uneasy future in labor-management matters that I have today introduced legislation which would establish a joint bipartisan congressional committee on industrywide bargaining in the Congress to review and recommend revisions of existing laws relating to collective bargaining and industrywide strikes and lockouts.

This resolution is not new. Our former House colleague, now U.S. Senator ROBERT P. GRIFFIN, presented such legislation in the House of Representatives in 1963 and 1965. He did so last year in the Senate, and for the fourth time just a few weeks ago. Other Members of the House have called for such congressional action.

At this time, with a host of major collective-bargaining agreements to be settled this year—32 of them—it is time that Congress face up to its responsibility and at least seriously consider possible means of improving methods of resolving industrywide bargaining and strikes.

Why must Congress continue to react to a labor-management crisis? Let us act now in an effort to avoid damaging hardships in the future of labor-management negotiations.

PROPOSED EXTENSION OF WEST CENTRAL FRONT OF U.S. CAPITOL

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SCHWENGEL] 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 Ohio?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, no one has a greater interest in the Capitol building than myself. It has been my hobby ever since I have been here as a Congressman. I have had strong feelings about improving the Capitol—not only improving it, but preserving it. Until now, we have not fulfilled our commitment to properly preserve and improve the Capitol, nor have we responded to the needs it could serve as we should. There may be some quarrel as to how these decisions should be made, but based on research, studies, and observations, I am convinced what is being planned now for the west front is not only right, but urgent, and we ought to get on with the business of extension and the resulting preservation. It is unfortunate there has been some apparent biased discussion that has proven to be an unnecessary hurdle. I have followed with interest the observations of the American Institute of Architects. To say the least, they have been inconsistent and, I believe, have made not always correct judgments.

As proof, I point out the AIA has recently submitted its own task force report indicating an apparent reverse of its position on the proposed extension of the west central front of the U.S. Capitol. The now-recommended restoration, even though such an operation, if feasible, would be hazardous, costly, and time consuming; it would require the vacating of much-needed space along the west half of the Capitol between the Senate and the House wings for a period of 5 to 10 years. They have made this recommendation in spite of the fact that the proposed restoration would not, according to knowledgeable engineers, offer a permanent solution for correcting the deteriorated condition of this portion of the building.

There is dependable evidence that many of the existing cracks would recur in any restored walls. This is because of the expansion joints, sandstone material of good quality and of character to match the material originally used, is no longer available. Also, removing the paint would show up a patchy stone job, the majority of stones would have to be removed and replaced, resulting in a reproduction and not the original work, the vaulted ceilings of the interior rooms along the west side would have to be shored, and congressional work would be seriously disrupted due to vacating of offices along the west walls.

All of the expense of so-called restoration would result in a product of questionable stability and integrity, would, in my opinion, contribute nothing to the aesthetic improvement of the least architecturally successful side of the Capitol. In addition, it would provide no opportunity to complete the revised composition made necessary by the addition of the Senate and the House wings and the enlarged dome over a hundred years ago, and would provide no additional space.

It is interesting to note that Thomas U. Walter, fourth Architect of the Capitol, 1851–65, one of the founders of the AIA and its second president, made studies while Architect of the Capitol, and after his return to private practice recommending such extension in order to complete the architectural composition made necessary by the extensions and changes made under his direction. One of the plans made by him is similar to the plan approved last fall by the Commission for the Extension of the Capitol project.

To say the least, the AIA's present position is in direct contradiction to their position taken in 1957 when they actually recommended the extension of the west central front. For instance, at the AIA National Convention in Cleveland, in July 1958, the architects who led the fight for the AIA against the east front extension were Ralph Walker, FAIA; Lorimer Rich, FAIA; and Douglas Haskell, AIA. They circulated a paper at the convention saying the practical space needs to be gained from the east front extension: "Could be achieved in better measure by extending the west front, and without the threatened architectural sentimental damage. . . ." And from the AIA Journal, January 1958, Architect Ralph Walker stated:

> . . . everything that would be obtained by the predetermined plan . . . that of moving the east front and also extending the wings, would be accomplished much more pleasantly, esthetically and efficiently by the reconstruction of the west front which has no great historic significance.

And from the Washington Post, August 13, 1958, page A–15:

> The AIA has a plan for providing much extra space by extending the West Front.

The Joint Committee on Landmarks of the National Capital Planning Commission and the Commission of Fine Arts prepared a list of National Capital landmarks a few years ago comprising some 292 structures. The Chairman of this Committee is Architect Francis D. Lethbridge. He is the same person who has been leading in recent years to opposition to the extension of the west central front for the AIA. This list shows the following buildings at the head of the landmarks list as copied from their list:

STRUCTURE, ARCHITECT(S) AND DATE(S)

1. The White House: Hoban, Latrobe 1792–1807; McKim, Mead & White (renovated), 1902; renovated, 1948–52.
2. The Capitol: Thornton, Latrobe, Bulfinch, Walter, 1793–1863; West Terrace and Steps Olmsted, 1874–75; East Front reconstructed, 1960.
3. The Octagon (Tayloe House), 1741 New York Avenue, NW.: Thornton, 1800.
4. Arlington (Custis-Lee Mansion), Arlington National Cemetery: Custis, Hadfield, 1802–20.
5. Tudor Place, 1644 31st St., NW.: Thornton 1815.
6. St. John's Church, 16th and H Sts., NW.: Latrobe, c.1816.
7. Decatur House, 748 Jackson Place NW.: Latrobe, 1818.
8. Old City Hall, 451 Indiana Avenue NW.: Hadfield, 1820–50.

The inconsistency of the present AIA is noted in their recommendations to remove and alter the Octagon area.

You will note that the Octagon building follows immediately on the heels of the U.S. Capitol in importance. Notwithstanding their recommendation to restore the Capitol, the AIA, as recently reported to the press, sees no need for preserving the historic setting of the Octagon House, and under the guise of a proposed restoration of the interior of the house, they now would plan to destroy its pleasant old garden setting, demolish the old stable, which was fitted some years ago to house its library, destroy its present Headquarters Building which was designed in keeping with the Octagon and its dependencies, and destroy the adjacent Lemon Building with its ornate brick facade, even though opposition to such destruction has been expressed by eminent persons, namely Interior Secretary Stewart L. Udall; Conrad L. Wirth and Horace M. Albright, both former Directors of the National Park Service; Alexander Hamilton, president, American Scenic & Historic Preservation Society; Oliver O. Jensen, editor, American Heritage magazine, but to mention a few. I join this group. In place of these destroyed structures, they intend to erect a seven-story ultramodern, nonconforming, huge brick structure which almost completely envelopes the Octagon like the whale about ready to swallow Jonah.

Well then, how does all this affect the

proposed extension of the Capitol. Wolf von Eckardt, Washington Post staff writer, who, incidentally, is opposed to the extension of the Capitol, put it aptly if I may quote from the May 20, 1967, article entitled "New AIA Headquarters Plan Called Exciting, Unsuitable:"

But what is good for the Capitol ought to be good for the Octagon. You either believe in historic preservation or you don't . . .

From this, one must conclude that the present AIA management deals in double standards, depending on which serves their purpose at the moment. In these instances, they have one standard for the Capitol and another for their own historic building, the Octagon. If they are genuinely dedicated to preserving historic buildings, such as the Octagon and its dependencies, why do they not go elsewhere to provide their additional required space, as they recommend that the Congress do? How can they justify constructing such an avant garde building as Mr. von Eckardt calls it, almost completely surrounding and dominating the Octagon, and at the same time say to the Congress leave the Capitol alone?

The Subcommittee of the Committee on Appropriations, House of Representatives, has just recently completed its hearings and has heard from both proponents and opponents of the Capitol controversy. It is obvious the condition of the old sandstone walls is serious as reported in depth by the independent engineering firm employed by the Congress to investigate its condition, that the cost of the proposed so-called restoration recommended by the AIA will be as much or more than the extension without any gain of any much needed space, that the composition of the Capitol, if extended, will finally be completed as dictated by the additions of a hundred or more years ago, that for the same or less money than restoration, we will gain much needed space as a byproduct, that we, therefore, should proceed without further delay with the work of extension in order to have, in the next 4 or 5 years once again, a beautiful, dignified looking, and structurally sound Capitol, of which all Americans can be proud, without the disruption to the work of the Congress that would result if the so-called restoration were carried out.

CRISIS POINT IN AFRICA

Mr. WYLIE. 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 pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. YOUNGER. Mr. Speaker, Mr. Gene Sherman, Pulitzer Prize winning chief of the London bureau for Copley News Service, wrote an article entitled "Crisis Point in Africa." He made the report to the 38th annual Copley conference and his remarks were reprinted in the Copley News Service of June. In my opinion, this is a very realistic article on Rhodesia, and is worthy of attention by all those interested in this subject. His article follows:

CRISIS POINT IN AFRICA

(By Gene Sherman)

English-speaking Africa is a crisis point in today's world.

Coverage of the dark continent has come a long way since Stanley presumed he had found Dr. Livingston. The responsibility of informing the public on Africa can scarcely be exaggerated. The complexity of its problems and America's relationship to them is simply not understood.

It is essential that the American public is kept aware of the awakening continent and the growing importance it has on this country's security and economy.

Not so long ago Africa could virtually be ignored. It was too far away to matter much. To have much bearing on the rest of the world. But today it is only a few hours from anywhere by jet. Its leaders have seen what is happening in the rest of the world. Communications have brought it into the world community.

Not so long ago people would have laughed at the thought of Britain's Prime Minister discussing a rebellion with the leader of Rhodesia by telephone. But that's exactly what happened a year ago last November. Harold Smith phoned Ian Smith to discourage him from declaring unilateral independence.

My first trip to Salisbury for Copley News Service re-emphasized to me the ultimate responsibility of the written word. I didn't know what to expect. There was talk of troops in the streets—guerrillas murdering white settlers. Hard words in a crisis atmosphere. It sounded like the Mau Mau all over again.

I remember scanning the airport from the window of my South African Airlines 707 for signs of armed guards and barricades. I guess I'd been reading the British papers too thoroughly.

Instead I was treated with the greatest courtesy by customs and immigration people. When I checked into Meikles Hotel I was completely disarmed when the man behind the desk said, "Welcome to rebellious Rhodesia." He grinned broadly. Rhodesians like to call sardonic attention to the tranquility that prevails.

Salisbury itself was the epitome of a quiet, clean city going about its multiracial business with a minimum of sweat or fret. To all outward appearance, Rhodesia is a peaceful country intent on advancing its economy under the present trying circumstances. I found much the same atmosphere prevailing when I visited Salisbury again last November, despite the additional worry of the UN's mandatory sanctions.

But outward appearances are deceiving. If you go no further you're likely to be lulled into believing it's business as usual. It isn't, of course. There's plenty wrong, but it's not all with Rhodesia.

The Rhodesia story is the most significant in Africa today. It is much more far-reaching than the *coups* in Ghana, Nigeria, Uganda and elsewhere. It involves not only essential constitutional issues but basic social and moral issues that pertain directly to the plight of the whole question of black nationalism.

These days an ideology often is considered more important than a fact. It is not popular to weigh both sides of a question as volatile and controversial as Rhodesia.

That is one reason, I think, that Prime Minister Harold Wilson lost control of the situation that led to Rhodesia's unilateral declaration of independence (UDI). He was pushed heavily by the left-wing of the British Labor Party which was concerned with one factor above all—instant majority rule for Africans.

The operative word there is "instant."

Majority rule certainly is consistent with the democratic process. No one can quarrel with that premise. It is the keynote of our democratic system.

But Rhodesia, and indeed all of Africa south of the Sahara, presents problems of democracy that are absolutely unique. And I qualify the superlative for emphasis.

The acceptance of majority rule is not exclusive to the Labor Party. The Conservative Party is equally concerned that the majority should be represented. Sir Alec Douglas-Home when he was Prime Minister was adamant on that point. But he dealt with it and with Ian Smith in a much different manner. His fist was just as iron, but his glove was softer velvet.

I do not believe that if the Tories had remained in office Rhodesia would have broken away from Britain before the issue of majority representation had been worked out to everyone's satisfaction. The air of crisis created by the Labor government did much to precipitate Smith's drastic action.

Whether he was justified or not is a matter of opinion. Rhodesians themselves are widely split on that question, although, now the die is cast, they are determined to make it work.

One Rhodesian business man I asked about that replied that UDI may be *legally* wrong, but it is *morally* right. I found that attitude to be prevalent among the white residents.

The big question now is whether Rhodesia can survive economically under mandatory sanctions. Almost everybody believes it will, even some of the most vehement anti-Smith Laborites in London.

Although Rhodesia's economy is being affected, it also is being bolstered by trade with South Africa, Portuguese Africa and nations abstaining from the Security Council decree—France and Switzerland among them.

Britain's close trade links with South Africa, her fourth largest export customer, prevents her from pressing sanctions to the point of involving the Pretoria government.

The use of military force to topple the Smith regime is inconceivable. The Labor government would fall if Wilson moved seriously in that direction. He continues to say force is not ruled out if troops are necessary to maintain law and order. But the Smith regime is playing it very cool. It has put itself in the position of a fighter willing to take anything the opposition can dish out and still win on the opponent's terms.

Disruptive nationalist leaders are in detention. Minor guerrilla sorties across the Zambesi River from neighboring Zambia are dealt with by Rhodesian troops on a local basis.

Every precaution is taken to keep the atmosphere cool and calm. Rhodesia is determined not to give Britain or the UN any overt reason to employ force.

How will the present stalemate be broken, then?

The most likely probability is that Rhodesia will declare itself a republic, like South Africa, adopt a revised constitution and begin a long campaign for recognition.

It is less likely that some basis for reopening negotiations with Britain develops, although some functions in Rhodesia and Britain are urging that course.

In one dispatch from Salisbury I compared Rhodesia to an outcast who cannot understand why he has been banished. This I think is an underlying tragedy of Rhodesia. It emphasizes the need for more and wider understanding of Africa's problems.

Nowhere in Rhodesia are you conscious of any sense of guilt. On the contrary, the whites feel sincerely they are treating Africans better than they are treated in other multi-racial countries and better than many Africans treat one another.

The vast majority of white Rhodesians concede that African majority rule is inevitable. They admit they don't like the idea. But they also admit that they cannot prevent it indefinitely. Meanwhile they don't

want to see what they have built fall into inexperienced or incapable hands.

They consider that wise, well-earned self-interest—not villainy.

For an impartial observer there is a good deal of evidence to support that point of view. In education, one of the requirements for African franchise, for example, pupil enrollment in ratio to school age is the highest in Africa—60 per cent. Most schools are segregated, but a number are multi-racial—including the university.

The government is building middle class housing for Africans that can be financed for thirty years. Little publicized projects such as African Farming Development train Africans to raise cash crops and free themselves from subsistence farming. AFD is underwritten by white farmers with the objective of creating an African market for consumer goods and raising the Africans' standard of living.

This is not to imply that Africans in Rhodesia have no cause for complaint by American civil rights standards.

But—and this is an unpopular fact I'd like to discuss in a moment—the average African is an entirely different type of person from the average American Negro. Nevertheless, I would venture to say that the black Rhodesian generally is better off on a comparative basis than his American counterpart in Mississippi.

The sad crux of the situation lies in the failure of Rhodesia and other colonial governments during the past 50 or 75 years to provide adequate opportunity for Africans to prepare themselves for the inevitable day when they are ready to assume the responsibilities of government. The sad, nagging fact is that independence caught Africans unprepared to cope with it. The dozen or so *coups* on the continent during the last year and a half, many of them bloody, constitute a damaging indictment not only of their unreadiness but of colonial failure to prepare them.

But problems are faced and solved in the present, not in the past. That is why the illumination of Africa's dilemma is so important, especially for Americans.

There are three ways in which I think Africa has been misrepresented: By being compared with other under-developed areas by people who never set foot on the continent. By equating African's problems with those of American Negroes. And by reporting colored by personal ideology, opinions and wishful thinking.

Rhodesia is a prime example of this. I was asked constantly to explain America's attitude to UDI. And, as are all Americans, reminded repeatedly of how we treated the Indians and how the 13 colonies of New England broke away from the crown.

Let me give you two examples of the kind of reporting that makes everybody look bad.

Shortly after UDI a photographer took a picture of Cecil Rhodes Square in the middle of Salisbury showing Africans taking their customary noon siestas on the grass. The picture was published with a caption indicating the snoozing Africans were corpses.

Another photographer tossed candy into a trash can and snapped a picture of small African children eagerly reaching into the cans for the goodies. The implication of the photograph was as obvious as the ruse was disgusting.

Rhodesia crystallizes the African story today because it has suddenly deflected the wind of change that swept 35 countries into uneasy nationalism during the last decade. Whether that in itself is an achievement is beside the point. What matters is that Rhodesia has made the world look again at the deep-rooted problems of African independence.

It has forced the world to separate idealism from practicality. To weigh again the wisdom of the precipitate plunge to power that left Africa an unsettled continent.

Rhodesia is only 150,000 square miles of Africa's 11½-million square miles. It has only 4¼-million of the continent's 250-million population. But the rest of Africa hangs over it like a mushroom cloud.

Extremists of both colors focus its predicament on the confrontation of the races. It is more than that. It is linked just as much with the desire of the people who built the country to keep what they built and in time share more of it with the Africans who helped them build it.

Against that, it is interesting to watch the leftwingers who so bitterly condemn the bombing in Vietnam cry with equal bitterness for the forceful overthrow of the Smith regime.

The comparison of Africa's racial differences with those of the United States is one of those easy but dangerous blunders.

It takes very little observation on the scene to realize there is no similarity whatever between the political, social or economic problems of the African and the American Negro. Yet the fact they are both black provided a great deal of the American impetus in favor of granting speedy independence to African states.

It is only during the last decade that American official and public interest in Africa has developed. Before then we sat on the fence unwilling to antagonize Africa or Europe. For Americans, Africa was a mysterious exotic zoo.

In his scholarly assessment of Africa in world politics, Vernon McKay, a professor of African studies, notes that we tended to forget that the direct responsibility for governing Africa belonged to the European democracies.

He goes on to say, "Believing in democratic values and sincere in the conviction that their costly new postwar policy of gradual development towards self-government was right, they (the European democracies) found they could not maintain this policy without resorting to the undemocratic practice of suppressing African nationalists. When they were no longer willing or able to do this, they had to abandon the policy even though unconvinced it was right to do so."

It was this policy of the European democracies that involved American liberals in Africa. The involvement almost immediately centered inferentially on the question of race, which was not the main concern of the European governments.

They were agreed for quite different reasons that African independence was a just goal and a desirable one.

Race has figured to a large extent ever since in the attitude of Americans toward Africa. This inevitably led to the equating of African nationalism with American civil rights.

The fallacy of this was brought home to me most poignantly.

In Zambia, Ghana and Nigeria I met a number of American Negroes atached to the U.S. Foreign Service. The policy of sending American Negroes to Africa to represent America seems entirely sensible. The immediate inference is of Africans welcoming American Negroes as kinsmen of a sort. It seems logical to expect people of the same race and color to understand one another better.

Curiously enough, it hasn't worked out that way at all. To a man, the American officals I talked with expressed reservations.

Africans look upon them not as members of a brotherhood of color, but as Americans. That they were the same color made no difference to the Africans.

Some of the American Negroes were from the South. They were amazed to find themselves resented in varying degrees because of their superior education, their cultivated tastes and their affluence. The points of irritation were the same as between Africans and whites.

The Americans for their part were disappointed in the Africans. They experience the same difficulty in establishing a rapport as whites do. The Americans arrive full of dedication for what they think of as their people. Their disappointment is sometimes a stunning psychological blow.

One young Negro from the Middle West joined the Peace Corps in Ghana convinced that the empathy gap would be bridged by the color of his skin. He became so frustrated after a few months that he had a breakdown and requested a transfer.

A big, affable outgoing Negro from Georgia told me sadly that he had been invited to only two African homes during his two years of duty in Zambia.

The winds of change have fanned racial antagonism. But that is only one of the many problems that beset the continent.

Belatedly African leaders themselves are beginning to realize this. They are beginning to realize that the effort expended against whites in Africa is needed more urgently to put their own houses in order.

The experience of American Negroes in Africa highlights the need to think of Africans as Africans—with their own peculiar characteristics and sensitivities. They are not just another segment of the world's colored population. They most certainly are not an extension of America's civil rights movement.

Those who lump Africa's woes under one heading—race—glibly encourage the Communist line. The far left divides Africa into black and white. African poverty, lack of education and initiative, tribal fragmentation and all the obvious problems are blamed on the African's color.

Yet more and more leaders like Kenyatta, Banda and Gowon of Nigeria are telling their people they have only themselves to blame if their countries falter.

In this respect, Africa would seem to be a fertile ground for Communist advancement. All the elements are there—poverty and the shadow of white domination. Yet I was equally surprised at the answers I got when I asked American, British and African diplomats how successful Communist infiltration really is.

Ghana last summer was deeply involved in stabilizing itself after the overthrow of Kwama Nkrumah, who salted away millions of dollars in graft while currying favor in Moscow and Peking. Twenty-four hours after Nkrumah's overthrow Communist diplomats were on their way home. The attitude toward American and British diplomats warmed instantly.

Naturally they were delighted. But when I asked the American political officer whether I should accept an invitation to appear on television in Accra, he hesitated. He assured me nobody would tell me what to do. But he explained that since the *coup* the American and the British were being careful not to repeat the Communists' mistake.

The Communists were in evidence everywhere. They were too apparent and too overbearing. We wanted to stay more in the background. I took the hint and declined the invitation.

Everywhere I went I got the same assessment. The threat and bribery of Communism meets a natural resistance in Africa. By the very nature of their traditional, family-oriented tribal society Africans find Communism undesirable.

This is not to say Moscow and Peking will quit trying to corrupt susceptible leaders to further their aims and gain a foothold on the continent. But every qualified source I talked with in Africa and elsewhere believed they won't get very far.

I heard the same opinion so many times that I began to doubt it. I particularly began to wonder if I should write it, but I did. Some time later I was glad to see the opin-

ions substantiated by the last vote in the United Nations on whether to seat Communist China. As you recall, the African bloc increased its vote against seating the Peking government.

The struggle for African loyalties continues, however—although the basis for pan-Africanism is a rejection of both Communism and capitalism in favor of total independence.

Coincidentally, the expressed basis for American relations with the new nations is our respect for their desire to remain nonaligned.

That sounds good to American ears. But to most Africans non-alignment means a position flexible enough to accept assistance from anybody.

Kenya and Tanzania are "non-aligned." But in fact Kenya is flagrantly pro-West and Tanzania is flagrantly pro-Communist. Yet I think it would be a mistake to say that Kenyatta is anything but a Kenya nationalist or that Nyerere wants anything but Tanzanian socialism.

Kenyatta's effective elimination of Oginga Odinga and his Kenya People's Union can be taken as ample evidence of his anti-Communism. Odinga had—still has, in fact—outright Communist support. Against Kenyatta's lofty influence, however, he is powerless.

Yet Odinga's banishment is not simply a matter of anti-Communism. It goes even deeper—something that escapes those who do not understand Africa. Kenyatta is leader of the Kikuyu tribe from which he gets his support and power. Odinga is leader of the Luo tribe, the great rival of the Kikuyu for power and political spoils.

In the African mind this is uppermost, not whether one leader is pro-Communist or pro-West. The vast influence of tribalism is little understood outside the continent. Yet it is the cause of most of the instability in Africa.

Tribal loyalties transcend all other political ties. They color every decision and influence all public reaction. The massive influence of tribalism and the Balkanized colonial borders that disrupted it is one of the most important factors in the riddle of Africa.

Some idea of the difficulties it presents becomes apparent when you consider there are some 1,000 tribal languages spoken on the continent. And nearly half of the continent's 250-million population cannot read or write in *any* language.

There is constant pressure on African politicians to balance tribal representation on a strictly tribal basis. In Kenya, for example, where there are 34 different tribes, the Luos are demanding that more of their members be admitted to the Army. Dr. Mungai, the Stanford-educated minister of defense, warned them of the danger of allowing tribalism to disrupt organizations devoted to the national interest.

Education—or lack of it—is the second monumental obstacle to African progress. The education gap is discouraging, and widening with each year's climbing birth rate. From 60 to 90 per cent of African children who are old enough to be in elementary school are not enrolled.

Ninety per cent of those old enough to be in secondary school, aren't. The number of Africans in universities on an age and population ratio is nil.

This has created an educated elite—a thin top layer of college-trained Africans from whom leaders emerge. They are the ones who are seen abroad and give an impression of African advancement that falls short of reality.

A disturbing aspect of the educated elite is the tendency for Africans to study liberal arts rather than acquire technical training so necessary in their countries.

In many—but, of course, not all—education is more a status symbol than an opportunity to contribute. Conscientious Africans recognize that this has led to a lessening of effort rather than the reverse.

Just recently Dr. Banda vehemently castigated Malawans for their laziness. The Nigeria *Daily Sketch* editorialized strongly against laziness while I was there. The editorial said in part:

"Laziness is a tragedy which deserves to be met seriously by all African independent states if the continent is to take its rightful place in the comity of nations."

It may seem elemental to condemn laziness and praise work. But it is one of the elementary problems that has a great deal of bearing on Africa's backwardness.

On the wave of independence Africa has gained an aura of instant sophistication that really is barely a glimmer. Independence and freedom does not necessarily presuppose democracy and freedom as we know it.

While I was in Kenya a British journalist was deported for criticizing the government's censorship of films. An American correspondent before him was ousted for writing about witchcraft, although the subject is discussed frequently in Parliament.

African politicians all the way to the top tend to take things personally and deal with them personally.

An American embassy official tried to set me on the right track. The simple truth, he said, is that Africans respect power and force. If a government falls it is because it is weak and therefore no good. We don't like to acknowledge that because our idealism gets in the way. Criticism is equated with troublesome opposition, which is equated with disloyalty, which is equated with treason—which means death.

It seems paradoxical, incidentally, that Rhodesia is criticized so strongly for domestic censorship while African nationalist states escape crticism for the same thing.

But Africa is a continent of paradoxes—and in the word of Tanzania's President Nyerere, a mess. The rosy bloom of independence with its dreams of power and riches has faded somewhat and Africa today is taking stock of itself.

Men like Ian Smith and the pioneer farmers of Rhodesia are in the crucible today. Much of the future of Africa rests on their future. They built cities like Salisbury. They want to keep it as peaceful as it is now.

What right have they to that wish? Do they have as much right or more to this than their African neighbors? The agony of white Rhodesians is their desire to hold on to what they believe is rightfully theirs and still fly the British Union Jack. They feel they can operate a multiracial society with due concern for Africans, who outnumber them 20 to 1.

Whether they have the chance depends on how they survive economically under mandatory sanctions—on whether they can sell the tobacco crop so vital to the economy of the country.

Smith remains strong and popular with the people, although opposition has developed from both the left and the right. The betting is he'll ride it out.

The 37 independent countries of Africa have custody of one of the world's greatest untapped sources of wealth.

With one quarter of the earth's land surface and eight per cent of its population it produces one-seventh of the world's mineral output; contains 40 per cent of the world's potential hydro-electric power and has three times as much land under cultivation as Western Europe. Yet the whole continent's share of the world output is only two per cent.

In every way it is a land of contrast, from the snows of Kilimanjaro to the modern streets of Ndola in the copper country and the bright new structures of Nairobi.

All this has long been recognized. Now it is being recognized *even* in *Africa* itself that something is wrong—that potential is not enough—that progress depends on more than racial antagonism and greed for power.

Africans themselves are just beginning to realize that the blame for Africa's turmoil must be shared by them as well as by history.

Meanwhile America's economic and political stake in the continent becomes increasingly important. For that reason the African story needs consistent telling if we are not to be surprised by the future.

LET THE U.N. ACT ON THE MIDEAST CRISIS

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. TALCOTT] 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 Ohio?

There was no objection.

Mr. TALCOTT. Mr. Speaker, yesterday at this time few people predicted war in the Mideast. This is no time for unilateral action by the United States. Last week, the President came close to committing the U.S. military might throughout the world to guarantee the integrity of national borders from all aggression. This was at a time when the Arabs were threatening, when Arab troops were moved in to fill a void left by the withdrawal of U.N. troops along the Israel-United Arab Republic border, when Nasser had announced the closing of the Bay of Aqaba—"constructive aggression" in some international law texts.

Now with aggression by air and land by Israel, it may be difficult to ascertain who the first aggressor really was.

Unilateral action by the United States in support or defense of the United Arab Republic or Israel would be premature and ill advised for several reasons.

Unless we intend to sabotage the United Nations now, we should give it an opportunity to function as a true peacekeeping organization.

If the U.N. is not effective in this situation, it may be so severely disgraced that it will never regain a stature or dependability to permit it to function even in social, health, and welfare fields.

Our Government should encourage the U.N. to cope with this incident. All combatants are U.N. members—a perfect case for the U.N.

A U.N. solution would bolster the prospects of an effective peacekeeping function.

I propose that the President instruct U.N. Ambassador Goldberg to give notice to the U.N. that if the U.N. does not take immediate action in the Mideast to stabilize the outbreaks and to restore the pre-June 1967 national boundaries and to introduce a sufficient force to keep the peace, that the United States will withdraw its financial support. If the Security Council fails to act promptly, then I recommend that the President direct Ambassador Goldberg to summon the General Assembly, under the terms of a decision of the General Assembly of November 1950, which provided that if the Security Council, because of lack of unanimity of the permanent members, fails

to exercise its primary responsibility for the maintenance of international peace and security in any case where there appears to be a threat to the peace, breach of the peace, or act of aggression, the Assembly may consider it and recommend collective measures, including, in the case of a breach of the peace or act of aggression, the use of armed forces to maintain or restore peace. In such case, the General Assembly may be convened within 24 hours to take up the matter in an emergency special session.

On an important question such as this, a two-thirds majority of members present and voting is required.

We have contributed almost $3 billion to the U.N. If we are not to obtain any peacekeeping value for our large contributions; if, in spite of our heavy contributions to the U.N., we must still "go it alone" or, in more sophisticated terms, resort to unilateral action—then we should forewarn the U.N. of our disappointments and of the need to make better use of our taxpayers' money.

Unilateral action in the Mideast now would be precipitous; it would rob the U.N. of an opportunity to perform its basic objectives; it would deprive the U.N. of an opportunity to prove itself; it would duplicate the expenditure of large sums of U.S. money and risk the lives of American men in a U.N. war.

Mistakes and blunders, timidity and fears of the U.N. have precipitated this war. The U.N., for its own survival and for the peace in the world, should assume the responsibility and management of resolving the peace in the Middle East.

HOOVER INSTITUTION ON WAR, REVOLUTION, AND PEACE

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HOSMER] 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 Ohio?

There was no objection.

Mr. HOSMER. Mr. Speaker, one of the most remarkable and unique organizations in the world is the Hoover Institution on War, Revolution, and Peace located on the campus of Stanford University and founded in 1919 by former President Herbert C. Hoover. Its unparalleled service to mankind is only hinted at in the following article which appeared in the June 22 issue of the Wall Street Journal:

HOOVER LIBRARY GATHERS MATERIAL TO SHED LIGHT ON EVENTS OVERSEAS—IT COLLECTS DOCUMENTS FROM RUSSIA, CHINA, AIDS CIA; NETWORK OF AGENTS HELPS—A HAVEN FOR GOLDWATER MEN?

(By Ronald Buel)

PALO ALTO, CALIF.—The 14-story tower on the Stanford University campus houses some startling goings-on. Messages go out to smugglers in Hong Kong and to other agents in trouble spots around the world. Documents arrive directly from the Kremlin and Peking. CIA agents browse in the cluttered halls and rooms.

It's a pretty spooky place—for a library. But this is no ordinary library. It's the Hoover Institution on War, Revolution and Peace. The Hoover tower (Hootow, in campus slang) has become one of the world's major repositories for documents dealing with 20th century political and economic developments.

When the Soviet Union discovered that a copy of the first issue of Izvestia, the government newspaper, was missing from its archives, Russian officials got a copy from Hoover. The institution has the first published documents of the Chinese Communist Party and the files of the Okhrana, the Czarist secret police for the years 1883 to 1917. Within the past year, the institution was able to provide the Central Intelligence Agency with a purloined photocopy of a seven-year-plan drawn up by a Hungarian Communist economist for the government of Ghana. When opposition leaders are arrested by South Africa's government, their papers and files are swiftly spirited out of the country to Hoover.

ATTRACTING SCHOLARS

In one recent year, 1,000 scholars from 36 states and 27 foreign countries came to dig into the institution's vast collection. Douglast W. Bryant, Harvard University librarian, calls Hoover "one of the great libraries of the world in the fields in which it specializes."

Hoover is more than just a collection of documents, however. The institution supports about two dozen full-time research fellows. It is publishing 32 books this year based on research in its collections. And it currently is financing more than 120 research projects by its own staff and outsiders.

Much of this work is of interest to the Government and its diplomatic and intelligence agencies. A recent 2,000-page work called The Politics of the Chinese Red Army brought Government orders for 250 copies. That Hoover has links with the CIA is undisputed, though it appears to get little if any money from the intelligence agency ($500 was given Hoover last year by American Friends of the Middle East Inc., a known recipient of CIA funds).

Some scholars believe that the institution—or, at least, some of its staffers—has moved beyond objective research into the realm of politics. "Some of the members of the senior staff are propagandists, not scholars," asserts Oli Holsti, a Stanford faculty member whose father, a Finnish diplomat, left his papers to Hoover. Mr. Holsti adds: "Certainly not everything that goes on there is unscholarly, but much of it is highly disreputable." A Hoover spokesman replies that the charge is too baseless to warrant further comment.

PROTECTING "THE AMERICAN WAY"

The institution was founded by Herbert Hoover in 1919 with a grant of $150,000. Mr. Hoover helped sustain it through his years as President and up until his death in 1964. He once said: "The purpose of this institution must be, by its research and publications, to demonstrate the evils of the doctrines of Karl Marx . . . thus to protect the American way of life."

Hoover now has an endowment of about $3 million, and its annual income is fattened by donations from such sources as Standard Oil Co. of Calif., Gulf Oil Corp., Monsanto Co. and the Ford Foundation. Allen-Bradley Co., Milwaukee, Wis., is another donor. "One of our basic policies is to support anti-Communist and conservative organizations," the company says. "The institution falls right in with this policy."

Glenn Campbell, 42-year-old director of Hoover, took a leave of absence to work on Barry Goldwater's Presidential campaign. Stephan Possony, a research fellow, was a major Goldwater foreign affairs adviser. James Hobson, information director, also worked in the Goldwater campaign. Some of Hoover's critics claim that Mr. Campbell uses institution funds to support conservative speech writers between campaigns. Research fellow Roger Freeman, for example, is chairman of a Republican committee refining a key GOP proposal for the 1968 campaign—tax-sharing between the Federal Government and the states.

OBJECTIVITY DEFENDED

Notwithstanding the close identification of some staffers with aggressive anticommunism, the institution's leaders vigorously defend its objectivity. A spokesman says several staff members have a tolerant view of communism. He says the institution remains free from political domination, though not aloof from the Government. Associate director Witold S. Sworakowski says: "Any U.S. Government agency has first priority on our materials. We owe them that much for our tax-exempt status without which we just couldn't exist."

Edward J. Rozek, a visiting fellow from the University of Colorado, thinks the institution faculty is Republican-oriented—and he thinks it is a good thing. "This may be the nation's only academic body viewed as Republican, and we need more like it to establish an equilibrium," he says. Mr. Rozek, who is writing a book with Presidential foreign affairs adviser Walter Rostow, adds: "The institution didn't ask me for my political views before they brought me here."

Controversial or not, Hoover often is called on for research in sensitive areas. The United Nations recently asked it to search for some record of an eight-part proposal for peace in French Indochina supposedly made public in 1918 by Nguyen Al Quoc, now known as Ho Chi Minh. In this case the institution was unsuccessful.

In 1951, the State Department asked Hoover to search for documentary evidence that the Soviet Union had drafted deported Polish families into Russian forced labor camps in World War II. The question was at issue in the United Nations at the time. Hoover came up with "transfer certificates" for Poles at 360 forced labor camps. Confronted with the certificates, Soviet UN ambassador Andrei Gromyko threw them on the floor and stomped on them.

Like some of the institution's other sensitive documents, the certificates were probably obtained by theft at some point. The institution says one of its curators had persuaded the anti-Communist Polish underground to part with them several years earlier. It's assumed the underground stole them from Communist authorities.

In a 1963 project for the Army, Hoover detailed China's steel industry and energy resources to the point of producing growth figures and plant locations. Yuan-li Wu, a research fellow, used Chinese government bulletins and other documents—some of them smuggled from China—to piece together the report.

STUDYING DISARMAMENT

The U.S. Arms Control and Disarmament Agency, an independent agency established under President Kennedy, paid the institution $200,000 to study the long-term reduction of weapons and resolution of conflict in the Far East. Turning to documents, pamphlets and newspapers it receives from Asia, Hoover scholars in April came up with a number of recommendations. These include establishment of a regional police to enforce border armistices, the promotion of regional economic and scientific programs to start a "habit of cooperation" and negotiations aimed at limited arms control as a prelude to eventual disarmament in the Far East.

"Much of the institution's information used in a study like this just isn't available elsewhere outside of Government sources," says Dennis Doolin, research curator of the East Asian collection, consisting mainly of material on China, Japan and Korea. Mr. Doolin, a paid consultant for the CIA, goes to work full-time for the agency next month.

Mr. Doolin's East Asian collection is one of Hoover's more extensive ones. Hoover houses 120,000 volumes written in Asian languages. Last year it regularly received 262 Chinese and 235 Japanese periodicals. It also has 30,000 volumes on East Asia in Western languages.

It takes 18 full-time and 6 part-time librarians, or about 15% of the institution's staff, to collect and maintain East Asian materials. John T. Ma, chief librarian of the East Asian collection, corresponds with 60 dealers in Hong Kong, 15 in Formosa and 30 in Japan. Typically, his letters order books or documents the dealers have told him they have; one recent buy of this sort was a tourist map of Red China that cost $50. Or Mr. Ma may ask dealers to "find" a certain document for him in the hope they will be able to smuggle it out of China through agents.

On one of the three crowded library floors given over to East Asia, Mr. Ma points to a corner filled with pocket-sized blue, red and green pamphlets, some with misleading covers. They are early pamphlets of the Chinese Communist Party, including its first document, and were published in small size and with deceptive titles so they could be carried unobtrusively.

The pamphlets, considered by scholars as key sources on modern Chinese history, were gathered mainly by Mrs. Mary Wright, now a history professor at Yale. Mr. Hoover personally sent her to China with $100,000 for two years right after World War II to collect as many important documents as she could find. One discovery came while she browsed in a Peking market. She noticed that a shopkeeper was wrapping pottery in rare newspapers published by the Route Army, the army that Mao Tse-tung took on the 6,000-mile Long March of 1934–35 to escape from superior Nationalist forces.

Hoover has a network of friendly agents around the world who supply documents. The papers of arrested South Africa government opponents come from a newspaper reporter who gathers them and mails them out of the country under pretenses Hoover chooses not to disclose. The reporter gets no fee or salary, but he is reimbursed for his expenses.

Hoover paid nearly $100,000 for its most costly collection, that of Boris Nicolaevsky, a pre-1917 Russian scholar and collector of political documents. Some valuable material has come in unsolicited, though. In 1936, a young man walked into the library, turned over a package marked "Do Not Open Until Jan. 1, 1950" and left without giving his name. Opened in 1950, the package held evidence that, contrary to legend, Anastasia, daughter of deposed Czar Nicholas II, was executed by Communists with the rest of the royal family.

Considering its anti-Communist reputation, the institution has maintained surprisingly amicable relations with Communist governments. For years Moscow's export agency shipped Russian publications directly to a number of U.S. libraries. Then the agency's U.S. representative complained that he was losing out on commissions. The Russians stopped direct shipments except to the Library of Congress—and Hoover.

Karol Maichel, Hoover's curator for Eastern Europe, believes that the Russians "are well aware of the completeness of our collection on them and undoubtedly like the idea of it being in one place." He thinks that if it were possible, leading Russians someday might wish to send their own collections to Hoover rather than risk having them suppressed by their own government.

An exchange agreement between Hoover and Communist China, however, apparently has been damaged by political disorders this year. Last year Peking sent 125 periodicals regularly to Hoover. But fewer have come this year, and those that have continued have arrived irregularly. In return for the Chinese publications, Hoover sends books and periodicals published by itself or by Stanford—for example, a book called Territorial Claims in the Sino-Soviet Conflict, by Dennis Doolin, which could provide the Chinese the benefit of some outside thinking on their Russian border disputes.

Many Red Chinese documents come through Nationalist sources on Taiwan. Mr. Ma, well-known to many mainland and Nationalist leaders, worked in the ministry of information in Peking from 1944 to 1947.

COLLECTOR HOOVER

Mr. Hoover himself started the institution's collecting tradition. He used his influence with the Government after World War I to commission civil and military officials stationed in Europe to track down as many important historical documents as they could. Documents dealing with the Russian Revolution alone filled several rail cars.

A former Czarist ambassador to France later got in touch with Mr. Hoover when he decided to dispose of 16 large trunks of papers, including the secret-police files. Mr. Hoover arranged for the late Christian Herter, then a Commerce Department official, to take them into the United States as personal luggage. The Soviet Union currently is pressing for copies of the files, but Hoover wants in return some documents the Russians aren't yet willing to provide.

Hoover, in theory, is accountable to the Stanford board of trustees, who provide just under 20% of the annual budget of some $1.5 million. In practice, the institution is autonomous. Mr. Campbell, a Harvard-educated Canadian, runs the institution with a strong hand. He selects research fellows, hires librarians and makes spending decisions.

JACK KELLY

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. McDADE] 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 Ohio?

There was no objection.

Mr. McDADE. Mr. Speaker, there is little doubt that for all of us, the formative years of our lives were most profoundly influenced by our teachers. I know that this was true in my own life, and certainly one of the outstanding influences in my high school days was Mr. Jack Kelly, my basketball coach at Scranton Preparatory School.

It would be delightful to recount how Jack was given a school full of Latin and Greek scholars, and somehow came up with championship basketball teams. There is great amusement in the story of the only football game he ever coached at Scranton Prep. But what is memorable about Jack Kelly is not his work as a coach; rather it is his stature as a man.

Through all of my years at Scranton Prep, Jack Kelly seemed to me to be the very essence of manliness. For all of us who came under his tutelage, there was something we took from him that will be with us for all of our lives.

Last week the friends of Jack Kelly gathered to pay tribute to this splendid man. Tragically, an illness has deprived him of his sight. I could not put into words our feelings as we learned this. I can only say that for as long as any of us shall live, we will see life better and clearer because of a vision we took from him.

Mr. Speaker, I will append an article on this testimonial dinner, taken from the pages of the Scranton Tribune.

550 HONOR KELLY AT TESTIMONIAL

More than 550 friends of Jack Kelly honored the former Scranton Prep coach at a testimonial dinner Monday night at the Jermyn Motor Inn.

First full-time teacher-coach at Prep where he developed many championship teams, Kelly recently lost his sight and was forced to give up his position with the Pennsylvania Highway Department. He is the father of four teen-aged youngsters.

Kelly, who received several gifts, was deeply grateful to everyone for the fine tribute. He was surrounded by his family, his brother, Lodi, and his aunt and uncle.

The speakers included two of Kelly's most famous graduates, Congressman Joe McDade and Atty. Bob Casey.

John Gallagher, who succeeded Kelly as Prep coach, served as the toastmaster.

The speakers included J. Donald Kelly, general chairman; Warren C. Smith, executive director of the Scranton Boys Club, Mayor James J. Walsh, Msgr. Andrew J. McGowan, director of the Catholic Youth Center; Congressman McDade, Msgr. Michael J. Kennedy, Atty. Casey, the Rev. John F. Lennymm, S.J., former headmaster at Scranton Prep; Thomas J. Harrington, district supervisor of the State Highway Department; Jim Crowley, ex-Notre Dame great who now serves as the industrial commissioner for Lackawanna County; Daniel Donovan, Cathedral coach, the Rev. Michael J. Quinn, pastor of Christ the King Church; and the Rev. John J. Duggan, S.J., moderator of the Scranton Prep Alumni Society.

Msgr. Kennedy spoke for everyone when he said "We are not here in sympathy, we are here to honor a fine Christian gentleman." He compared Kelly with Brother Mathias, who sent the immortal Babe Ruth on his way to baseball fame.

Msgr. McGowan said "we are here to say thanks for what he has done for a lot of people."

Congressman McDade said "Jack Kelly revolutionized basketball in Northeastern Pennsylvania" and went on to relate how the Prep team had played in a Vandling swimming pool. He cited his former Prep teammate, the Rev. Joseph Hawley, as the greatest guard that ever lived.

In closing the congressman said, "We are here to honor you tonight and tomorrow and all the tomorrows after."

Many letters and telegrams of congratulations came in from all sections of the world.

One from a Jesuit mission in India came from the Rev. Dick McHugh, S.J., one of Kelly's first pupils to reach stardom. The telegram read, "You are the greatest of them all. I wish I could be with you."

OSTRICH IN FOGGY BOTTOM

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MORSE] 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 Ohio?

There was no objection.

Mr. MORSE of Massachusetts. Mr. Speaker, this morning, in their column "Inside Report" which appears in the Washington Post, Rowland Evans and Robert Novak highlight the apathy over the past several months of the administration to the obviously deepening crisis

in the Middle East. While our Department of State apparently paid little heed to the clear warnings of impending disaster coming from the field, a number of Republican leaders have called for greater U.S. attention to the persistent conflicts in that troubled area. Senate Majority Leader EVERETT DIRKSEN suggested a reaffirmation of the tripartite agreement of 1950 in his Republican state of the Union address. In January, Senator JACOB JAVITS of New York urged a big-power conference to discuss these issues before violence took place.

The failure of the administration to act points up the dangers of preoccupation with one crisis, at a time when others with perhaps more far-reaching implications lie just over the horizon. More than a year ago, speaking before the Massachusetts Junior Chamber of Commerce I asked:

Can we afford the luxury of preoccupation? If we have learned anything from our twenty years as a global power, we should have learned that our role demands flexibility of response. . . . Can it be said that our policymakers have become so absorbed in the crisis of the moment that they have lost perspective on the forces and the problems that will confront us for years to come?

The Middle East is certainly in that category.

The Evans-Novak column this morning suggests that this question still has relevance, both for the Middle East and for other impending world problems. I include the column in the CONGRESSIONAL RECORD, and commend it to the attention of my colleagues.

OSTRICH IN FOGGY BOTTOM

(By Rowland Evans and Robert Novak)

It is now clear that the Johnson Administration allowed precious months to pass last fall and winter without reacting to repeated alarms of impending disaster in the Middle East.

Moreover, the presumably crucial spot of Assistant Secretary of State in Charge of Mideast Affairs was allowed to remain vacant from Oct. 19, when Raymond A. Hare resigned, to April 5, when he was replaced by the highly regarded Lucius D. Battle.

It was precisely within this time span that secret warnings of utmost gravity were relayed to Secretary of State Dean Rusk from well-informed non-diplomats with close contacts to the Israeli government.

These warnings specifically documented the growing intimacy between Egypt and the Soviet Union and their "frequent consultations" in Cairo. They also documented a subtle change in the tone of Egyptian President Nasser after the United Nations Security Council resolution of last Nov. 25, which Nasser regarded as a public slap at Israel. Nasser's truculence increased from that time on.

But the State Department, preoccupied with Vietnam, seemed frozen in the posture of an ostrich. If only the status quo could be preserved, Foggy Bottom hoped, all the hobgoblins would melt away and peace would be assured.

Thus, in a Feb. 11 letter to Sen. Jacob K. Javits, the New York Republican whose close relationship to the American Jewish community provides special insights into Middle Eastern affairs, Rusk said:

"I am not aware of any change in the positions of either the British or French governments which would cast doubt on their adherence to these principles" (the principles embodied in the tri-partite declaration of May, 1950, by the U.S., France and England guaranteeing the integrity of the Middle Eastern states).

Rusk was apparently unaware that the French were ready to scuttle the 1950 declaration, as they have now done, thus shredding the fabric of Western unity in the Middle East. Or, if Rusk suspected what Javits did—that the tri-partite declaration by then was virtually meaningless—he was not prepared to admit it for the simple reason that he had no solution.

Actually, the State Department's inability to face the true dimensions of the Middle East crisis goes back far beyond last fall. During President Kennedy's Administration, the White House formally asked the Department to develop contingency plans, bringing up to date the U.S. response to a variety of possible crises in the Middle East. The plans never were developed.

In the Johnson Administration, moreover, the White House has lacked the services of a top-level trouble-shooter on Middle Eastern affairs, a kind of unofficial ambassador between the President and the American Jewish community.

When New Frontiersman Myer Feldman left the White House in March, 1965, that behind-the-scenes job simply vanished. Instead, Walt Rostow, White House national security adviser charged with being Mr. Johnson's eyes and ears in the Vietnam war, inherited Feldman's role. Rostow has been too busy with Vietnam to act as the President's confidential agent on the Middle East.

At the heart of the Administration's failure to anticipate the current crisis lies a basic miscalculation. Generally speaking, this miscalculation placed both Nasser's Egypt and Syria in the third world—the uncommitted developing nations, tied neither to Moscow nor to Washington. In fact, the tremendous arms buildup in Egypt and Syria, courtesy of Moscow, was a stark warning that they were in fact going into the Soviet orbit.

It was precisely these concerns that Javits had in mind when he first wrote Rusk complaining about the State Department's inaction.

This correspondence makes unhappy reading in the light of recent events, Javits' first letter, written Nov. 26, was brushed off by Rusk. Javits pressed his point with a second letter, dated Jan. 6, pleading for the U.S. to call a big-power conference "before we face a conflagration" in the Middle East.

It was in reply to that letter that Rusk saw no change in the tri-partite declaration of 1950. Now, however, it may be too late to avert the "conflagration" warned against by Javits—and other experts on the Middle East—during the long months when Washington's head was in the sand.

AUTOMOBILE LIABILITY INSURANCE POLICIES

The SPEAKER pro tempore. Under previous order of the House, the Chair recognizes the gentleman from New Jersey [Mr. CAHILL] for 1 hour.

Mr. CAHILL. Mr. Speaker, I have asked for this time for the purpose of bringing the membership up to date on the very important subject of automobile liability insurance policies, their cost to the public, and what I conceive to be a very grave social problem facing the country as the result of the activities and actions—indiscriminate, in my judgment—by a great many of the companies, that is either pricing the liability insurance out of reach of the average man, or making it impossible because of discriminatory practices for the average man to get policies of liability insurance.

On previous occasions the gentleman from Pennsylvania [Mr. GREEN], and the gentleman from Kentucky [Mr. SNYDER], and I have pointed out some of the abuses that have been going on in this field in this country.

For example, we have brought out the facts that certain age groups just cannot get liability insurance unless they pay what are, we believe, unusually high rates. Any young man under 21 years of age and any male or female over 65 years of age finds it almost impossible to get liability insurance. Those who live in certain States and those who live in certain sections of certain States, and those who follow certain occupations also find it difficult. I have even been informed by my friend from Kentucky that the name by which one is referred to as a nickname may have some part in the determination of whether he can qualify.

All in all, we have tried to point out these abuses. Today we would like to discuss, I hope, some of the remedies, with the thought in mind that we will be able to point out a course of action that this Congress can follow to an intelligent and reasonable and objective and fair solution to this problem.

Mr. GREEN of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. CAHILL. I yield to the gentleman from Pennsylvania.

Mr. GREEN of Pennsylvania. Mr. Speaker, I rise once again, with my distinguished colleague, the gentleman from New Jersey, to join with him in calling for a congressional investigation into this entire area of automobile insurance in our country. We rose together, the gentleman from New Jersey [Mr. CAHILL], and I, several weeks ago to bring this matter to the attention of the House. We consider this to be a very important matter.

Since that time I have received complaints from all over the country from automobile owners who do not feel they are getting a fair shake in automobile insurance. They have watched their rates climb. They have seen insurance departments in their States raise the rates from 30 to 40 percent at a time, so that car owners in many States now pay double what they paid about 11 years ago for protection.

They complain, too, about the nature of the policy. The big print makes them believe they are covered against all possible accidental situations, and then it is the small print which exempts the company from liability.

Even more than this, they are all too familiar with the claims that insurance companies practice discrimination, as has been indicated by the gentleman in the well, against whole classes of citizens.

Insurance documents and guidebooks that they put out for their salesmen reveal that the following groups are considered high risk drivers who should be avoided by their salesmen and agents: the young, that is, those under 25; the elderly; residents of our big cities; the Negroes; people whose occupations make them undesirable in the eyes of the insurance world; people with nicknames like "Shorty" and "Butch"; people whose neighbors question their morals; and a whole host of other arbitrary categories, which have nothing to do

with the way these people may perform behind the wheel of an automobile.

The courts, the insurance companies claim, present them with their greatest test, with their greatest crisis. They claim that it is the courts and not the roads that present them with the problem of rising rates.

For their part, the insurance companies complain that they pay out more than $4 billion in claims, which puts them in the red, even though they write a total of more than $8 billion in premiums annually.

The increase of accidents and claims, they say, is forcing them continually to seek rate rises.

The companies further blame the pyramiding of costs on a number of interrelated factors. They claim that the pileup of claims is padded by both their insurance agents and by garages in an attempt to seek an increase in the payments in accident cases.

They claim the high fees demanded by lawyers in negligence suits have the same tendency.

The lawyers claim that because of the backlog in the courts they are forced to spend such an inordinate amount of time on these cases that consequently their fees are necessarily high.

I believe we have an instance here where the insurance companies want to point to the bad drivers, point to the lawyers, and point to the courts, and the lawyers want to point to other lawyers. It is a situation where everybody is pointing the finger of blame at everyone else, and in the meantime the ordinary insurance policyholder, the fellow who must buy insurance today if he can be secure at all when he ventures out to drive his car, is getting stuck, in the end.

As a result of all these conditions—the higher rate of accidents, the increasing number of automobiles, the large court calendar of claims—the rates the insurance companies have charged have caused the companies to come consistently again and again to badger the States for increases in their rates.

The public pays the bill for the protection that this gives in the case of an accident.

The public gets only $1 for every $2.50 that is paid in in automobile insurance premiums.

As this whole problem has developed and festered, I believe we are beginning to hear the public complain. The public is complaining that the States are in control and that the State insurance departments are all too frequently acting as though they were the proprietary guardians of the insurance interest.

The public has had little opportunity to present its grievances to an open hearing. I understand, for example, in Maryland the last two commissioners opened their doors to the public and that the complaints have poured in. While one of these gentlemen admits that half of the complaints are unjustified, at least there is an opportunity to air these problems.

In other cases, he says, he has prevented arbitrary cancellations and has headed off considerable hardship to drivers.

I believe we will find, if we open up this whole area to investigation, that we will have many unjustified complaints, but all we are attempting to do is to create an atmosphere where the whole system can be questioned and where it can be given a good, hard look.

One of the troubles is that in most States there is no complaint department, and very little regulation. The Federal Government is prevented from entering this field because it has specifically, in the McCarran-Ferguson Act of 1945, exempted itself from doing so. The result is that these powerful companies enjoy immense privileges with little fear of regulation.

Our purpose is not to punish the companies. Our purpose is not to embarrass them or injure them.

Many of the proposals for reducing the cost of insurance for everyone in this country and making it available to all are proposals that are in fact favored by the insurance companies.

They are in such a competitive situation with each other that many of them are afraid to begin to initiate what would be moves toward reform. With the States in control, insurance companies and lobbies are in a position now to pick off reform wherever it starts. I think eventually what we are going to have to do—and that is why the distinguished gentleman from New Jersey, the gentleman from Kentucky, and I rise occasionally to discuss this subject—is we are going to have a Federal investigation where complainants from all over the country can come in and have their cause heard. I have had requests from many other Members to join us today. Some of them just could not make it. Therefore, Mr. Speaker, I ask unanimous consent that at the end of this special order the gentleman from Georgia [Mr. BRINKLEY], who submitted a statement to me, and all other Members of the House may have 5 legislative days in which to revise and extend their remarks on this subject.

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

There was no objection.

Mr. GREEN of Pennsylvania. I thank the gentleman from New Jersey for yielding to me.

Mr. CAHILL. I thank the gentleman for his comments.

Mr. SNYDER. Mr. Speaker, will the gentleman yield to me?

Mr. CAHILL. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Speaker, I think the gentleman in the well [Mr. CAHILL], and the gentleman from Pennsylvania [Mr. GREEN], should be commended for taking this special order today. I rise in support of the position they have been taking here today. Back on March 8 of this year I introduced House Resolution 375, which would authorize the Committee on Interstate and Foreign Commerce acting as a full committee or as a subcommittee to investigate the underwriting practices of the Nation's automobile liability insurance carriers. Since the gentleman from New Jersey and the gentleman from Pennsylvania have, during the ensuing days, done such a good job in bringing to light many of the inequities taking place across the country, my only reservation in regard to my own resolution is whether or not it goes far enough and whether or not such an investigation should be limited to the extent I would have had it limited in my resolution as I introduced it.

It think it is very noteworthy to draw your attention today to an article that appeared in the Washington Post on last Friday headlined "Auto Liability Firm Cancels Policies of 3,500 in Virginia." This article points out the fact that a company known as the American Fidelity Fire Insurance Co., of Westbury, N.Y., is notifying 3,500 of its policyholders, which they class as substandard, that their liability insurance coverage will be canceled. While they cannot go back and cancel those beyond March 15, under some of the Virginia rules and regulations, it is understood that many more policies will not be renewed when they come up for renewal.

Mr. Speaker, I ask unanimous consent that this article appear in full at the conclusion of my remarks.

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

There was no objection.

Mr. SNYDER. I think it is significant for us to consider in connection with this company and in connection with any company—the question of what are substandard risks and how do they get to be classed as such.

The gentleman from Pennsylvania mentioned the fact that many people who live in wrong neighborhoods or happen to be the wrong color or have the wrong occupation are rated as substandard risks without any examination of their own particular driving record. I have had some insurance people come around to talk to me about this. They say, "We have to black out whole areas." All of Appalachia, in my own State of Kentucky, for instance. "Or we have to black out all recent divorcees or this, that, or the other. We do not have the time or the staff to underwrite these people individually," they say. Well, the truth of the matter is, if you happen to live in the right neighborhood and have the right occupation and be the right color but you have a bad driving record, they have the staff and the time to underwrite you as an individual.

That is what I think is perhaps the crux of the situation insofar as underwriting is concerned. People who have good driving records and want automobile liability insurance should be judged for what they as individuals are and for what liability they might reflect on the company insuring them rather than all of the particular categories or classes that the companies establish.

Mr. Speaker, I think it is interesting and noteworthy to point out the fact that the gentleman in the well [Mr. CAHILL] inserted an article in the CONGRESSIONAL RECORD back on April 13, an article which made reference to a recent divorcee domiciled in my own home State, the State of Kentucky.

Mr. Speaker, she was married to a drunk and she had liability insurance at standard rates. I suppose being a rather

sober character herself, and being of the right color and coming from the right neighborhood and working at the right job, she was able to get standard rates. However, she divorced the drunk. And, when she did that, they raised the rates because she became a "recent divorcee." The premise was that she "might" be going out with a boy friend who "might" be driving the car and they did not know the driving propensity of the boy friend. I would suggest that they had better reason to know the driving propensity of the drunk to whom she was earlier married.

Mr. Speaker, this matter goes further than this when they write off entire categories either by residence or age or for being in the military—and this is a category that has not been mentioned heretofore today—which I think and I believe is a category which needs to be mentioned. A boy who goes into service to defend his country and defend the right of the insurance companies to remain in business in a free America—and because of the fact that he is in the military service, he has to pay a higher premium on his insurance than do others. I think that is deplorable. I do not think that he should be penalized because of his military service, if his driving record is good.

But, Mr. Speaker, it even goes beyond this. The truth of the matter is that many of these policies which are canceled or not renewed because of the fact that the policyholders fit into one of these "forbidden" categories are people who fall into an economic category in which they cannot afford to pay 150 percent or 200 percent of the standard rate for their insurance coverage. As a consequence, this practice is increasing the number of uninsured drivers upon our highways.

Mr. Speaker, I noticed a statement just recently by Commissioner Woodall of my own State of Kentucky wherein he pointed out the fact that Kentucky ranks third in the number of uninsured drivers, with only the States of Georgia and New Mexico ranking above it.

I think, certainly, Mr. Speaker, the problems that the gentleman from New Jersey [Mr. CAHILL] and the gentleman from Pennsylvania [Mr. GREEN] and myself are attempting to alleviate and the legislation that we are supporting is most reasonable in that we only ask the Congress to conduct an investigation into these practices to ascertain just what the problem is.

Mr. Speaker, I feel that this effort is meritorious and deserves the support of the entire membership of this House.

Mr. Speaker, just as the distinguished gentleman from Pennsylvania [Mr. GREEN] has received a number of letters on this subject, I have received a number of letters since I spoke on the issue previously and introduced legislation designed to in some way help correct this situation.

Mr. Speaker, I shall not undertake to introduce all of this correspondence into the CONGRESSIONAL RECORD—all of the letters that I have received on this subject, because it would be too voluminous and most of the correspondence would be repetitious—however, I have received two letters, one of which comes to me from Knoxville, Tenn., from a Mrs. E. H. Fabian, in which she tells of her experience with the liability insurance carriers.

Mr. Speaker, she had insured their car with the same automobile insurer—the State Farm Mutual Automobile Insurance Co.—so she says, for at least 14 years. Likewise, her son has had coverage with this company for 14 years. Both Mrs. Fabian and her son have had their policies canceled without a reason. The only claim which was filed under her policy was as the result of a hailstorm in which there was some damage to the automobile in 1963, an occurrence which had nothing to do with the driving on the part of anyone. They paid that claim.

This lady who never had an accident, never had any claims, except the hailstorm loss, has her insurance and her son's canceled without a reason. She cannot find out why. I believe anyone who has been paying the price as these people have, and who for many, many years have not had any losses other than the one from the hailstones—for which certainly, if anyone were to be penalized, it would be the Almighty, and I do not think they want to try that—certainly are entitled to know why it is that their insurance is being canceled.

Mr. Speaker, I would ask unanimous consent that that letter from the lady, and the letter from her insurance company, be printed at the conclusion of my remarks today.

The SPEAKER pro tempore (Mr. ANDERSON of Tennessee). Is there objection to the request of the gentleman from Kentucky [Mr. SNYDER]?

There was no objection.

Mr. SNYDER. Mr. Speaker, another letter which I believe is symbolic of the situation is one I received from a fellow at Ludlow, Ky., which happens to be within my own congressional district. He had been insured with the Commonwealth Fire & Casualty Insurance Co., for several years. The only claim he ever had was 2 years ago when someone threw a rock through his window when his car was parked, which they promptly paid, and which had nothing to do with his driving record. He has now received a letter from his agent in Covington, Ky., that his insurance is being canceled. He called his agent and asked him why it was being canceled but did not find out why. He has had no claims other than the glass breakage which had nothing to do with his driving propensity. He has been carrying insurance with this company for several years, paying $178 per year. His agent did call him up the other night and said he could get him another insurance policy, but it would cost $418. Here again something is wrong and apparently this youngster is being "rated" for some reasons that has nothing to do with his driving record.

Mr. Speaker, in that connection I would ask unanimous consent that this letter and the letter of the insurance company be printed at the conclusion of my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky [Mr. SNYDER]?

There was no objection.

Mr. GREEN of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. I yield to the gentleman.

Mr. GREEN of Pennsylvania. Mr. Speaker, one of the things that we should mention in the debate is the fellow who finally does have a claim that is for something he is not really responsible for, or does not reflect on his driving record at all, yet all of us—and I certainly have—have run into the situation where people have had legitimate claims, be they accidents or not, who have been afraid to put the claims in, although they have paid for insurance for years and years, for fear their policy will either be canceled or their rate would rise.

Mr. SNYDER. I would say some people are doing that at their own volition. On the other hand, as a lawyer I have had many people tell me just that and not only have they done this on their own volition, but some have indicated that the insurance agent himself has suggested to them, well, now, that is a small claim costing $25, $30, $50, or $100, you know if you put that claim in now that is going to be on your record, and that is going to be held against you in the future. What the gentleman has pointed up certainly is another area which is in dire need of investigation.

I am concerned about why the underwriting practices have been as they are, and I do not know the reasons for it. That is why we are asking for the investigation. I am sure that neither of the other two gentlemen know the reasons. They may have their own ideas, as I have mine.

Mr. GREEN of Pennsylvania. Will the gentleman yield further?

Mr. SNYDER. I yield to the gentleman.

Mr. GREEN of Pennsylvania. In the interest of costs, since the three of us rose the last time on the floor and discussed this, I was invited by a large number of insurance executives of mutual companies in the State of Pennsylvania to address a luncheon. Prior to the luncheon I was talking to several of the executives. I said to them, "What is the problem on automobile insurance as you see it?" Some of them said the only reason they have automobile insurance is to satisfy their other customers, to provide a service for them, because automobile insurance is hard to get, and they said in fact, some of them said, they were losing money on it anyway.

So I suggested to them that perhaps what the Government should do was to create some sort of social insurance system so that all people in the country could be covered with insurance.

Mr. SNYDER. I am sure that suggestion met with resistance, as well it should.

Mr. GREEN of Pennsylvania. And immediately they rejected the idea. It is hard for me to believe they are losing money, and yet they do not want to give the business up, either.

Mr. CAHILL. I might just state to the gentleman that I intend to discuss with them in a few minutes the very questions which have been raised here, but I believe there are a couple of different things we could do here, today. We can suggest something about the manner in

which these rates are determined, and what if anything can be done to make a constructive contribution to the reduction of those rates.

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

Mr. CAHILL. I yield to the gentleman.

Mr. SNYDER. Mr. Speaker, I have one or two other comments to make that I had in mind and which I would like to develop and I will try to hurry as I, too, must leave for a meeting on the Senate side of the Capitol.

As I was saying before this colloquy developed, I do not know the reason and none of us do as to why they will not underwrite these people individually and why so many people are classed substandard when they have good driving records.

But I was very interested in a letter that I received from a fellow by the name of Paul N. Frazier, from Knoxville, Tenn., who happens to be in the insurance business. I would submit to you what he says—and not representing at all that I agree that it is or is not true—I do not know—but this is just one theory.

Mr. Frazier says in part:

The reasons that people are rejected for insurance is due to the inspection companies writing false reports on people. The head of the Inspection Companies tell their agents that 25% of the risks should be rejected. They employ 18 year boys to make these reports, and do not pay them a decent salary. Several years ago, the inspection company sent an 18 year boy out to Fountain City to make an inspection on an automobile for me, and Junior kissed my clients 38 year wife and 18 year old daughter. Junior was fired. I lost the business as my client thought Junior was an agent of my company.

We will take a 35 year old school teacher, if she is the finest example of Southern Womanhood, and the best driver in the state, and the biggest Church Worker in the State if the 18 year old boy with the inspection company should file a false moral report on her. She would be rejected by a standard company, and then she do in hard lines which would charge her three times the Standard Rate.

What he is attempting to say there, of course, is that she will be rated as a substandard risk because of a false report.

Whether or not the inspection companies are responsible for the problem, I do not know. Whether they are instructed that in order to justify their own pay with the insurance companies on their own business that they have to write out a given quantity of them as being unacceptable, I do not know. But here is a thought by an insurance man that needs to be looked into.

I would say, I think the ramifications that we have developed in the few times that we have talked about this here certainly should point out that beyond any doubt at all that an investigation by the Congress certainly is in order.

Whether or not legislation would be in order is something that we do not know. I would say, as I said before on this subject, I would hope not. I would hope any investigation pointing out the facts would prompt the companies to clean their own house.

I yield to no one insofar as standing up for the freedom of the companies to operate so long as they do so legitimately and fairly with the American public and without government control and regulation. But when they get beyond what apparently is fair and proper and good ethics, then it may become necessary for the Government to step in. I would hope that this would not be the case in the instant situation. It may be, but certainly an investigation would bring to light the problems and inequities and perhaps the companies would see fit to correct and clean up their own house.

Mr. Speaker, the matter previously referred to follows:

[From the Washington Post, June 2, 1967]

AUTO LIABILITY FIRM CANCELS POLICIES OF 3,500 IN VIRGINIA

(By Richard Corrigan)

About 3500 Virginians who bought automobile liability insurance policies this spring have been notified that their policies are being canceled.

The mass cancellation was ordered by the American Fidelity Fire Insurance Co. of Westbury, N.Y., which says the risks are too high and the rates are too low in Virginia for the company to maintain this type of policy.

To the policyholders, the action means they must arrange new policies within 30 days after receiving notice of cancellation by the company. If they are not insured after that time they must pay a State uninsured motorist fee of $50, and will be personally liable for any claims brought against them.

ASKS REFUNDS IMMEDIATELY

The State Corporation Commission has told the company and its Virginia agent, Parham General Agency of Norfolk, to refund the unused premiums to the motorists involved "immediately."

Mark M. Hart, chairman of the company's parent holding company, American Plan Corp., said the aggregate refunds will total about $700,000, an average of $200 per policyholder. Hart pledged that all refunds will be paid and all other obligations will be met.

All of the canceled policies are in the "substandard" category, which covers motorists who are considered poor risks and who must pay at least 35 per cent more for their liability policies than most drivers are charged. Hart said the rates still are too low.

American Fidelity has been losing $1.57 for every $1 it collects since it started issuing this type of policy in Virginia in January, 1966, he said.

The cancellations affect policies dated March 15 or later this year.

BEFORE MARCH NOT AFFECTED

Hart said policies written before March 15 cannot be canceled under State regulations. But his comments indicated those policies will not be renewable.

"We intend to stay in Virginia, but we're not going to stay in this field (substandard liability policies)," Hart said. The company has issued between 15,000 and 20,000 liability and physical damage automobile insurance policies in the State, he said.

In addition to saying that high-risk rates are too low, Hart said the company had to cancel the 3500 policies because a Pennsylvania insurance firm that was backing American Fidelity's losses has gone into receivership and now owes American Fidelity nearly $1 million.

Hart said the American Plan Corp. bought American Fidelity Fire Insurance Co. on Nov. 1, 1963, from American Fidelity and Casualty Co. of Richmond. American Fidelity Fire and American Fidelity and Casualty were headed by T. Coleman Andrews, former U.S. Internal Revenue Commissioner and now a Virginia Conservative Party leader. American Fidelity and Casualty was dissolved in 1965.

KNOXVILLE, TENN.,
March 18, 1967.

Representative GENE SNYDER,
Washington, D.C.

DEAR SIR: I am enclosing a clipping that appeared in our daily paper, The Knoxville News-Sentinel, March 9, 1967.

I am delighted to know that the auto insurance racket has come to someone's attention, and I truly hope something can be done about it. I'm also sending you a photostatic copy of a letter I received from the company that I had a car insurance policy with. My husband had a policy with them for years and as far as I know they never had to pay one penny on his car. When our son became sixteen years old, he is now thirty, my husband got a policy from the same company for him. True, they did pay several hundred dollars for damage done to our son's car due to a severe *hail storm in 1963*. That was paid without question. Why not?

Two weeks before I received cancellation, my son had a letter from them cancelling his policy without stating a reason. As a matter of fact, the letters were alike, almost word for word, and you see they gave me no reason. I asked our agent for a reason and he refused to give me one. I had had no accidents and no damage had been done to my car.

I have heard numerous complaints from friends about the same company as well as other companies.

I think this unfair practice is being carried out, not only on car insurance policies, but by home owner's policies as well. I have just cancelled a home owner's policy because they flatly refused to pay any part on smoke damage done in our home, which they should have taken care of.

Respectfully yours,

MRS. E. A. FABIAN.

STATE FARM MUTUAL AUTOMOBILE INSURANCE CO.,
October 21, 1964.

Expiration of Policy Number 1345 559-FO8-42, 62 Cvair 4 Dr.

ADELAIDE FABIAN,
Knoxville, Tenn.

DEAR MR. FABIAN: We regret to tell you that we do not wish to continue your policy beyond 12:01 A.M. Standard Time December 8, 1964, the expiration of the present policy period. On that date our obligation to protect you under this policy will terminate.

You are given this advance notice so that you may have reasonable time to make other arrangements for your insurance protection.

Very truly yours,

TROY PHILLIPS,
Underwriting Superintendent.

MAY 3, 1967.

Congressman EUGENE SNYDER,
Longworth Bldg.,
Washington, D.C.

DEAR SIR: I am enclosing a letter I received on April 28, 1967 from the Commonwealth Fire & Casualty Insurance Company of Louisville, Kentucky notifying me of cancellation of my automobile insurance.

I have been insured by this company for approximately two years with the *only claim being replacement of a side window when an unknown party threw a rock through it about two years ago.*

As you can see, there is no reason given in the enclosed letter for cancellation of my insurance. While it is true that I am but 22 years of age, this of and in itself is, to me, insufficient reason for cancellation especially in view of the fact that I have been acceptable to this insurer for the past two years.

When I received this letter, I called my agent, Mr. Gaskins, of Covington, Kentucky, who did not, according to his statements to me over the telephone, know why my insurance was cancelled. A few hours later my agent called me to say that he could obtain

coverage for me at an annual premium of $418 as opposed to the the $178.00, that I have been paying annually. Obviously an increase of approximately 125% in premium annually is more than can, as far as I can see, be justified under the circumstances.

Therefore, the purpose of this letter is to bring to your attention, sir, the apparently unwarranted and apparently illegal activities of the above named insurer domiciled in the Commonwealth of Kentucky and therefore, directly under your jurisdiction. It would appear to me that it would be your duty to not only me as an individual citizen of this State, but to the public at large that a thorough investigation into the above insurer's practices with an eye to prosecution under the insurance laws of the Commonwealth of Kentucky, would be in order.

Thank you for your prompt attention to this matter.

Sincerely yours,

MICHAEL PEGG.

COMMONWEALTH FIRE & CASUALTY INSURANCE CO.,
Louisville, Ky., April 27, 1967.

Type of Insurance: Automobile.
Policy Number: XXXXXXX.
Cancellation date and time: May 8, 1967, 12:01 A.M. standard time.
MICHAEL PEGG,
Ludlow, Ky.

DEAR MR. PEGG: This is to inform you that the policy indicated above is being cancelled as of the date and time indicated.

We are sorry that this action is necessary and thank you for your interest in our company.

Sincerely,

WILLIAM R. SWANSON,
Underwriting Manager, Underwriting Department.

P.S.—Enclosed is our unearned premium refund check for $14.41.

PAUL N. FRAZIER & CO., INC.,
Knoxville, Tenn., April 1, 1967.

Hon. GENE SNYDER,
Kentucky U.S. Congressman,
House of Representatives,
Washington, D.C.

DEAR MR. SNYDER: I was reading the News-Sentinel on March 10th, and I noticed a dispatch from Washington, dated March 9th, where you introduced a resolution in Congress calling for a congressional investigation of the underwriting policies of the Nation's liability Firms.

This is the best thing that ever happen since the invention of the wheel. We insurance agents ask that you please investigate this matter from every angle. I have been in the insurance business for 32 years, and it is a mell of a hess. The worst that I have ever seen it.

The reasons that people are rejected for insurance is due to the inspection companies writing false reports on people. The head of The Inspection Companies tell their agents that 25% of the risks should be rejected. They employ 18 year boys to make these reports, and do not pay them a decent salary. Several years ago, the inspection company send an 18 year boy out to Fountain City to make an inspection on an automobile for me, and Junior kissed my clients 38 year wife and 18 year old daughter. Junior was fired. I lost the business as my client thought Junior was an agent of my company.

We will take a 35 year old school teacher, if she is the finest example of Southern Womanhood, and the best driver in the state, and the biggest Church Worker in the State if the 18 year old boy with the inspection company should file a false moral report on her. She would be rejected by a standard company, and then she do in hard lines which would charge her three times the Standard Rate. This is the most unfair thing in the world. She should have the right to face her Accuser, but there is no way by law to make the insurance company tell her what the inspection company said.

Please let me hear you in regard to this matter. Please do not show this letter to Anyone. I have more information that will give you at a later date, which will be helpful.

Yours very truly

PAUL N. FRAZIER.

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

Mr. CAHILL. I yield to the gentleman.

Mr. MONTGOMERY. In reference to the remarks of the gentleman about free enterprise, I would like to make a comment and I would like to point out to the gentleman in the well that I was an insurance agent before coming to the Congress. I was chairman of the insurance committee of the State Senate of the State of Mississippi for 8 years. I feel that I know a little something about the insurance business.

Certainly the remarks that have been made by the distinguished gentleman from New Jersey and the gentlemen from Pennsylvania and Kentucky are well stated. But I would like to say this. Certainly, there are two sides to this situation. As an insurance agent I have always tried to represent the people to whom I sold insurance. I had my problems with the insurance companies. I would lose some business and the underwriting was especially hard.

I am glad that the gentleman mentioned the military. I do think the situation there is unfair. The insurance companies have had their problems also in this country. Like everything else that has gone up in this country—the cost of living has gone up—surely the cost of insurance has doubled and the cost of almost everything you buy in your own home has doubled.

As to the question of rates, it should be mentioned that rates are controlled by individual States. The States have their insurance commissions and so far as I know all States do have commissions. In my State they have given the privilege to the insurance companies to make a 5- or a 6-percent profit.

We try to watch this. I think my friend from Pennsylvania said that we need a complaint department. Well, we have a complaint department. If the people want to complain about the insurance rates, in most States, I believe, there is an insurance commissioner who is elected by the people to whom complaints can be made.

Mr. CAHILL. May I just address myself to that point, because I think it is a valid and good point. I do not believe that any of the American people would object to any insurance company making a 5-percent profit. That is not the problem. But I want to ask the gentleman this question. I have in my hand a series of advertisements that have appeared in full page in every daily newspaper in the State of New Jersey on five separate occasions immediately before a hearing was scheduled before the Commissioner on Banking and Insurance of the State of New Jersey to get an increase in rates. These are five big ads, all paid for by an organization called "The Insurance Information Institute, 110 Williams Street, New York," which is headed by a man by the name of J. Carroll Bateman, general manager, who is accredited by the Public Relations Society of America.

I would assume that the cost of these ads and the cost of this public relations firm are all being paid out of the administrative expenses of the various insurance companies who are contributing to this agency.

The problem is that none of us object to a company making a fair profit. And we do not object to the amount of money that is being paid out of the premium dollar to the accident victim, because that is why we have insurance, to take care of the disabled and the injured. But what we say is that there has not been on a State level a sufficient examination in depth into the administration expenses that the insurance companies charge off to their expenses.

Secondly, and I would like to have the gentleman's comment on this phase of it, where a company takes in millions of dollars in premiums, and they take that premium when it is paid in at the first of the year and invest it in stocks, they often buy goods securities; they buy common stocks that appreciate. At the end of the year, when they come for an appraisal to determine whether they made a profit or a loss, does not the gentleman think that they ought to take into consideration income that they have developed from the investment portfolio, especially when that investment portfolio has been the product, to some degree at least, of the premiums that have bene paid in by the very policyholders that they now seek to charge extra money?

Mr. MONTGOMERY. The problem has been that any profits the insurance companies have made have not been made in underwriting. They have been made on their investments on that stock which holds steady at a level keel.

As to their profits, I believe they go into their financial statement because when an insurance commissioner and the commission looks at a financial statement they use it to determine whether that company can even come into the State and write insurance.

I will agree with you on your first thoughts that sometimes it is the tendency of all companies to cover up some of their profit by operational expenses, and it is up to a good insurance commissioner to dig it out and see where they are padding the operations.

I believe the figures that were used indicate they take in $2 and pay out only $1 in claims. This is possibly true. But most companies, as I understand it, to make a decent 5- or 6-percent profit will have to have the underwriting loss of about 50 percent.

Mr. CAHILL. I do not believe any of us object to that, but would the gentleman not say, in summary, that what we are recommending here would not be harmful to any insurance company, and perhaps we are all suffering from a lack of adequate knowledge?

Mr. MONTGOMERY. Certainly the debate is good.

Mr. CAHILL. All right. Would the gentleman not agree that investigation of

this overall problem, because it now seems to affect every State in the Union, should be an investigation by an appropriate committee, well-funded, with objective investigators, giving all insurance companies an opportunity to come here and discuss these very problems, so the American people may have a better understanding of the problem? That is exactly what we are trying to do. We feel this whole situation has gotten out of all proportion. We feel the rates are getting to the point now—and this is the danger—that they are so high today, especially for young people under 25 or under 21, that a boy who is a sophomore or junior in college has to pay $350 or $400 for the minimal exposure, $10,000 to $20,000 liability. The temptation is going to be very great for that boy to drive without insurance. This is what causes the social problem.

We have to find some way to make sure every man who takes that dangerous instrumentality known as the automobile, and puts it on the highways, and drives it at the speeds we drive today, is able to protect the public. This is what we are trying to do. The gentleman can make a very valuable contribution.

Mr. MONTGOMERY. Let me make this final comment. I appreciate the gentleman yielding this time. After this comment, I will sit down.

Two things worry me about the discussion and the debate that I have heard today. The first thing is that I am worried about bypassing the State insurance commissioner and the commissions. They are mostly and mainly elected by the people of this country in the different States. We are getting ready to have a Federal investigation. I have confidence in my insurance commissioner. Where we have a good commissioner, we usually have good laws. I really think it is unnecessary.

Mr. CAHILL. I might say respectfully, however, the gentleman is speaking only for one State and one commissioner. I would say to the gentleman respectfully that our investigation does not indicate that the other 49 commissioners measure up to the same stature as the gentleman attributes to the commissioner for Mississippi.

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

Mr. CAHILL. I yield to the gentleman from California [Mr. WALDIE].

Mr. WALDIE. Mr. Speaker, the question I want to ask is pretty much in line with the one just asked. Would the purpose of the Federal inquiry, the congressional investigation the gentleman is seeking, be to devise Federal legislation relative to rates or relative to the manner by which people would be placed in assigned risk categories?

Mr. CAHILL. No. My purpose in inviting a Federal investigation in the first instance would be to determine just what State regulatory bodies are doing along the lines that the gentleman discusses. My opinion is that they are not acting adequately.

Secondly, I am beginning to believe, let me say reluctantly, that since the decision of the U.S. Supreme Court in the case of Southeastern Underwriters Association in 1944—and as the gentleman knows, under that case it was held that the Federal Government had full regulatory powers over the insurance industry—since that time, in 1945, immediately after that decision, the 79th Congress passed the McCarran-Ferguson Act, which delegated primary regulatory responsibility to the States. What I am concerned about here—and I say this with some reluctance, but I have to answer the gentleman's question frankly—is whether we should not take a look at this overall insurance situation from the possibility of antitrust violations.

I am beginning to believe that perhaps we should look at it from the standpoint of restraint of trade. I am beginning to believe perhaps we should look at it from the standpoint of some of the Federal statutes on the books.

I can see, from my limited investigation—and I am just now beginning to get interested in this problem, for I am beginning to see a lot of things I never suspected existed until I started my investigation—that much needs to be done.

I say to the gentleman, I believe we should look into it in depth. That is my view.

Mr. WALDIE. Mr. Speaker, will the gentleman yield for a question?

Mr. CAHILL. I yield to the gentleman from California.

Mr. WALDIE. If the in-depth investigation should result in a conclusion, as I believe the gentleman suspects to be the case, that the States are not in fact sufficiently interested in regulating insurance companies that do business within their borders, in terms of the amount of profits they are entitled to make or in terms of the methods of determining insurability risks, would the gentleman then believe it proper to advocate Federal regulation of these factors?

Mr. CAHILL. Yes, I would.

Mr. WALDIE. In closing, so that the record not misconstrue my particular questions, I would not agree with the gentleman that that would be a desirable course of action to take.

Mr. CAHILL. I hope to be able to supply Congress with some more facts in this regard.

I say to the gentleman, my preliminary investigation indicates to me that there is one State in the Union where almost 20 representatives of the State legislature are actively engaged either as officers or directors or principal stockholders of insurance companies.

I will also say to the gentleman that in most of the States the insurance commissioner is appointed by the political power.

I will say to the gentleman that in most of the States the independent insurance agents, as properly they have a right to do, do a great deal of lobbying.

I will say to the gentleman that it is very difficult even for the most honest, the most knowledgeable, the most dedicated commissioner on a State level to do what he should know has to be done.

I will say to the gentleman that I would regret the necessity for the day to come when the Federal Government would have to renew its interest in this field, but I say to the gentleman very frankly and very seriously, I believe that day is coming.

If the gentleman will involve himself also with us in this, he probably could make a valuable contribution. This is not a one-sided situation. This is an effort by all of us, regardless of party, regardless of politics, regardless of where we come from, to try to get a job done.

I believe the gentleman will agree that there are indeed abuses, and if the State commissioner cannot correct them or will not correct them, then action needs to be taken.

Mr. WALDIE. I certainly concur that there are abuses, and I certainly agree that those abuses need correcting. I am not at all personally convinced of the solution the gentleman recommends, of Federal control and regulation of insurance. I am not convinced that will provide a satisfactory solution to the problem.

Mr. CAHILL. I thank the gentleman.

If I may, I should like to make a statement, which perhaps will clear up some of the points I have, and then I will yield further.

I believe the high cost of insurance and the rating of companies can be attributed to many reasons.

Certainly we all realize that there are more cars and there are more accidents. I am an attorney, and I do this type of work. We realize that in many instances the attorneys' fees are excessive and should be reduced, perhaps subject to court approval.

I understand and believe that at times garages in certain areas charge excessive fees to insurance companies.

It is reported that hospital bills and doctor bills have gone up so high that the companies have to make these additional charges.

I understand that all of these play a part.

I hope the membership will interest themselves sufficiently to investigate all of these facets. For myself and for today, I should like to limit my observation to what I feel is the contribution of the insurance companies to the high cost of policies.

It is my conviction that the insurance companies themselves are responsible for most of the problems mentioned by the gentleman from Pennsylvania [Mr. GREEN] and by the gentleman from Kentucky [Mr. SNYDER].

Nor has State regulation of the industry been effective to protect the public interest in reasonable rates and a competive market and a solvent and responsible insurance industry.

I have already mentioned the Supreme Court case in 1944 and the act of the 79th Congress that placed responsibility for regulatory action on the States. However, in the absence of Federal Sherman antitrust jurisdiction, State regulatory schemes permit the insurance companies to gain premium rate increases through rating bureaus. Ultimately these rating bureaus are no more than a collaborative group of companies. Such fraternities of common interest supply State insurance commissions with slanted and often misleading statistics upon which rate determinations are made and permit inefficient companies to operate under the

protection of rate formulae based on average loss experience, average overhead expenses, and average premiums earned.

State commissions, frequently underfunded and understaffed, have been ill equipped to detect the fallacy contained in statistics and data provided by rating bureaus and individual companies. In general, rate increases are allowed without scrutinization of requests. The ultimate extension of this inability of the State commissions effectively to regulate insurance has occurred in California where free and open competition is left to limit insurance prices. The results of this lack of effective regulation have been chaotic. Rates in California, as in most States, skyrocketed. The ratemaking formulae of most States provides for a loss ratio of approximately 65 percent, operating expenses of 30 percent, and a 5-percent profit. In other words, where over 65 cents of every premium dollar is devoted to the payment of claims, the company is entitled to a rate increase. State formulae thus assume 30 cents will pay overhead costs and 5 cents will provide a fair margin of profit. Despite this built-in profit factor, the insurance industry maintains it is losing money. In effect they claim an allowance of approximately 30 percent of the final premiums for overhead expenses is insufficient. Yet the insurance industry is characterized by a complete lack of imagination to cut costs. I would recommend the insurance companies seriously consider the following suggestions:

At the present time the marketing system of automobile liability insurance does not provide group policies. Lower commissions on group contracts plus savings in paperwork could reduce premiums for members by some 10 to 15 percent. The UAW, employees of General Electric, and the University of Pennsylvania have had to supply their own initiative in attempting to negotiate group insurance. Their attempts have met with small success. Few companies attempted to cut costs by direct marketing methods. Rather, in general, the industry prefers to use independent agencies rather than their own salesmen. The success of some of the more aggressive companies, such as All State and State Farm Mutual, indicates a substantial saving might be passed on to policyholders. However, since most States ratemaking formulas allow 5 cents net profit on final premiums, fees of independent agents are charged not to the company but to the public. The automobile insurance industry spends millions of dollars in advertising designed to brainwash the public into believing it is losing money.

I just mention here for anyone's examination what I would consider to be a $100,000 to $200,000 program in a 5-week period immediately preceding public hearings scheduled in the State of New Jersey. I would certainly be interested to know who is paying for that. I would certainly be willing to venture that it is coming out of the premium dollar. While the companies are complaining about these costs, they persist in training agents to go out and secure releases for claim from unwary traffic victims who are receiving inadequate settlements which in and of themselves bring about litigation for the purpose of attacking and negating the effect of releases. And, Mr. Speaker, the books are replete with these cases where lawyers have had to go into court and bring action in order to compel the cancellation of a release that was obtained, especially in cases where they fail to settle cases promptly where they think it can outwait a justified claim of a traffic victim who does not have the financial resources to await his full and merited compensation.

Mr. Speaker, they use vague and deceptive small type in policies, as the distinguished gentleman from Pennsylvania [Mr. GREEN] pointed out which, again, crowds dockets with litigation to determine the precise nature of coverage.

Mr. Speaker, the industry, in its "spare no expense" operations has spent millions of dollars in establishing powerful lobbies to influence legislation and administration at all levels of government, yet the Nation's drivers have no lobby. This has been true at all levels of government.

Mr. Speaker, in short, the sole evidences of competition in the automobile insurance industry do not indicate a constructive competition that accords with public industry. The industry has not competed on costs, but has engaged in a destructive attempt to maximize profits by "skimming off the cream" of the preferred risk market.

Mr. Speaker, in an inane competition for the "accident free, perfect driver," insurance companies have "weeded out" the average driver by selective risk classifications. This has led to arbitrary cancellation and nonrenewal of policies, or rejection of applicants for policies.

Mr. Speaker, such arbitrary cancellations are made on the basis of irresponsible investigations into the personal life, ancestry, and social status.

Mr. Speaker, such practices have forced many "average" drivers into assigned risk programs with minimal coverage, into "excess" polices at exorbitant rates, into insurance companies, poorly or fraudulently managed, which frequently go insolvent, or victims of such industry practices have simply remained uninsured.

Mr. Speaker, the industry defends such practices on the grounds that, first, the public demands selective risk classifications and, second, that it cannot afford to insure everyone at a reasonable rate.

Now, Mr. Speaker, the first argument in my opinion misses the point.

Mr. Speaker, the members of the public do not want to subsidize a careless driver. They want to pay premiums based upon groupings of drivers of their own ability and loss experience. They demand that they be grouped into risk classifications based on their driving ability and skill. But they do not demand that they be classified according to race, occupation, neighborhood or other spurious factors. Failure to insure, except on the basis of substantial loss experience, is wrong. And, Mr. Speaker, the public realizes this.

Mr. Speaker, the second argument is at best unjustified and misleading. It will take something more persuasive, more reliable and more objective than the lamentations and hand wringing of insurance companies to convince me that they are suffering any underwriting loss. I seriously question the slanted and often misleading bookkeeping procedures by which insurance companies attempt to show they are operating in the red.

Now, Mr. Speaker, based upon some of the observations along these lines, I am compelled to point out additional factors although I shall do so upon another day, because I think I have already trespassed too much upon the time of the House and our friends of the House, during this particular period.

But I want to discuss at length, and I hope I can get my friend from Mississippi and some of the others to discuss with me, this question of using not only the ratio of losses to premiums, but the ratio of losses to overall income for the purpose of making a determination before the commissioners of the various States.

I will say to the gentleman from Mississippi it is my understanding that the commissioner in Kentucky has already made this determination. I believe he has broken ground, and he may be setting a precedent which hopefully will be considered by other commissioners. That part of it I will save for another day and another hour. But I do believe—if I may close my remarks, and then I will be glad to yield—and I am very grateful to the gentleman from California, the gentleman from Mississippi, and all the others who have participated in this discussion—that this is a matter that all of our States are interested in. Hopefully, with this type of dialog we can develop perhaps a reasonable, logical, sensible, and fair method of solving some of these problems.

I want to repeat for all Members of the House that we who are interested in this are interested in it because it has had such an effect upon either our own constituency or our own State. In my case it is the State. The insurance companies in my State are now appearing before the commissioner later this month for the purpose of seeking a tremendous increase in rates—rates that are already, in my judgment, much too high. I as a practicing lawyer have found—and I have had personal experience to prove it—that they are arbitrarily canceling policies, they are refusing to insure, as the gentleman from Pennsylvania pointed out. I must have had in the course of the last year 25 calls asking "Why should we not put in this claim for $25? That is why we pay our premiums." But they have been told by their insurance agents not to—and I believe again that the insurance agent is not the one who is responsible; he is the one who is being victimized also because he cannot write all the insurance he would like to write or that he could write because he cannot get the companies to take the coverage, but I find all of these things are happening.

The gentleman from Virginia referred to it, and we have heard it referred to in California and we have heard it referred to in Texas and we have heard from

Pennsylvania and New Jersey, and I believe you will find that as of today perhaps 20 or 30 of the 50 States in the Union are having the same type of problem that we are experiencing in New Jersey.

Mr. Speaker, I want to thank the gentlemen who participated and say that I believe it was a good dialog, and I hope we can continue it.

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

SUBCOMMITTEE NO. 4 OF THE COMMITTEE ON THE JUDICIARY—PERMISSION TO SIT TODAY WHILE THE HOUSE IS IN SESSION

Mr. REUSS. Mr. Speaker, I appreciate the gentleman's yielding to me, and I ask him to excuse my intruding.

Mr. Speaker, I ask unanimous consent that the Subcommittee No. 4 of the Committee on the Judiciary may sit today while the House is in session.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin [Mr. REUSS]?

There was no objection.

Mr. CAHILL. Mr. Speaker, I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, I would certainly like to comment to the gentleman in reference to what he said as to the powerful lobbyists who are paid by the insurance companies, that I certainly am not involved in this situation. I do not believe they would pick a freshman Congressman to get up here. Certainly they would not pick me to get up and argue the question. I am sincere when I say I am worried about the Federal Government maybe getting more into the insurance business. I think the State insurance commissioners can do the job. I know our insurance commissioner can. The experience I have had with him has been good. And there are certainly some capable insurance commissioners. So I did not think the gentleman meant that.

Mr. CAHILL. I will say to the gentleman, "No." I hope the gentleman understands that I of course had no reference directly or indirectly to the gentleman from Mississippi, for whom I have—as I have for all Members of this House—the highest respect and regard. I was referring to the paid publicity men, the paid lobbyists who are working, as I know, and I think the gentleman knows, properly at the Federal level and at the State level for the purposes of developing programs that are to the best interests of the insurance companies, but I had no reference to the gentleman.

Mr. GREEN of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. CAHILL. I yield to the gentleman.

Mr. GREEN of Pennsylvania. Mr. Speaker, I thank the gentleman once again.

I would like to close by saying I think it is the gentleman's belief, and it is my belief, that there is a crisis in automobile insurance. I would point out to the gentleman from Mississippi that in my own State 15 companies have gone insolvent in the last 2 years, and left over 4,000 claimants in Pennsylvania with less than one penny of every dollar they claimed in claims.

So that there is concrete proof that some States have not done the job. Of course, it does not mean that every State has not done what is necessary. Likewise, it does not mean that some States that have been negligent in the past have not also worked on this problem to try to improve the situation and to look at the situation and take a fresh look at these problems and try to do something about them.

The simple fact is that we have had about 85 insurance companies in this country in the last few years that have become insolvent and have left claimants all over the country without any recourse or compensation for injuries that they have sustained as a result of the negligence of others. This is not just a question or problem of insolvency but it involves all these problems to which we have been addressing ourselves to here today.

For my part I am sure, and I know the gentleman from New Jersey feels the same way, the Congress of the United States cannot remain aloof while this situation exists.

It is incumbent upon us as Members of the Congress to appraise this situation and look into it to see if we cannot find some way to protect the public.

I thank the gentleman from New Jersey [Mr. CAHILL] for yielding to me and again I want to say that once again I have enjoyed participating with the gentleman in this endeavor to bring to the attention of the Congress the problems with reference to automobile insurance.

The SPEAKER pro tempore. The time of the gentleman from New Jersey has expired.

Mr. RANDALL. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. CAHILL] may, with the permission of Members having special orders at this time, proceed for an additional 5 minutes.

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

Mr. GREEN of Pennsylvania. Mr. Speaker, I would be glad to accede to the gentleman's request.

Mr. REUSS. Mr. Speaker, I am one of those waiting to be recognized but I would be delighted for the gentleman to have the additional time.

The SPEAKER pro tempore. There being no objection, it is so ordered.

The gentleman from New Jersey [Mr. CAHILL] is recognized for 5 additional minutes.

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

Mr. CAHILL. I yield to the gentleman.

Mr. RANDALL. Mr. Speaker, although I received advance notice about this special order by the gentleman from New Jersey we have been tied up and I was unable to come to the floor of the House earlier. I would have been glad to participate in this important discussion. I am grateful to the gentleman for yielding to me at this time.

I know that every Member of this House receives some mail from constituents on this problem of liability insurance. So frequently do we have to send back an answer that this is a field in which we are not able to be very helpful. That is why I wanted to take a moment to commend the gentleman from New Jersey and our friend, the gentleman from Pennsylvania, and others, because by your presence here this afternoon you have indicated you are going to try to do something about the problem.

I am not sure whether there is any particular bill pending. I am not sure what committee would proceed with this matter. Would it be the Committee on Interstate and Foreign Commerce?

Mr. CAHILL. I will say to the gentleman that we thought it best, first, to have a dialog and to have some discussion on this and develop some participation in this matter before we recommended any legislation to the House of Representatives. The only thing we recommended was that an appropriate committee, and it might be the Committee on Interstate and Foreign Commerce, hold hearings so that there could be a forum in which this important subject could be discussed with the hope that the committee in its wisdom would recommend appropriate legislation.

Mr. RANDALL. I think that is an additional reason why the gentleman deserves the commendation of his fellow Members. The gentleman is seeking to pinpoint this problem.

As I remarked earlier, I was not able to get to the House floor in time. I just heard a few of the words spoken by our colleague, the gentleman from Mississippi, and I do not know what colloquy preceded that. But while we are concerned about the high cost of insurance and the fact that some people are denied insurance, because of the prohibitive cost and otherwise, it seems to me that you are on the right track when you hope to give a full airing to this problem. One of the most truly pitiful and deplorable sights is to see a family whose members have been in a horrible motor car crash. They thought or believed they were covered by insurance and then to their dismay discover that they have no insurance because the company cannot meet its obligations. There is nothing any sadder and nothing more pitiful. This sort of thing most unfortunately happens again and again.

I do not know what we may be able to contribute or be helpful in this effort. I want to assure you that we are ready to be called upon and are ready to help you in any way that we can. Again let me say you and the gentlemen from Pennsylvania deserve the commendation of all Members for your effort to focus attention on this problem.

Mr. CAHILL. I thank the gentleman.

Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. RODINO] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. RODINO. Mr. Speaker, I am very pleased to have this opportunity to join with my distinguished colleagues, Mr. CAHILL, Mr. SNYDER, and Mr. GREEN of Pennsylvania, in discussing the problem of automobile insurance.

I have been very disturbed by the

growing complaints from policyholders about unwarranted cancellations and rising premium costs and I am also most concerned about the financial difficulties of many insurance companies which stem from increasing numbers of auto accidents and the larger settlements which are being made for accidents.

The Interstate Highway System now under construction gives new emphasis to the interstate nature of motor vehicle travel and the related insurance problem. We must remember that when it is completed in the early 1970's, the interstate network will carry at least 20 percent of all vehicular traffic.

There is mounting evidence that no one is wholly satisfied with the present approach to auto insurance. There is constant pressure for higher premiums from those who sell insurance and at the same time increasing complaints from consumers who buy the policies.

Among the specific questions which need airing are:

First. The widespread practice of canceling policies without sufficient justification, and often on the basis of whim or flimsy excuse;

Second. The practice of setting rates on the basis of the lump-sum performance of many companies, which makes it possible for efficient companies to make excessive profits while inefficient companies continue to lose money no matter how high premium rates are set;

Third. The discriminatory nature of present rate practices, which penalize motorists because of their age, sex, and place of residence, irrespective of the individual's driving record;

Fourth. The need for a government reinsurance program similar to the ones that now protect depositors at banks and savings and loan associations;

Fifth. The fair and equitable treatment of investment income—the money an insurance company makes by investing premium payments and which presently is excluded from the rate structure in most States;

Sixth. The added costs of settling claims that arise from the need to establish negligence in an accident claim;

Seventh. The length of time it takes to settle claims;

Eighth. The problems, if any, of settling claims that involve motorists from two or more States; and

Ninth. The problems arising from mail-order sale of insurance across State lines.

Mr. Speaker, we must determine whether insurance companies are providing the kind of insurance protection to which the public is entitled and which the public needs; and if not, we should look further into the question to decide on action required to assure adequate protection.

Mr. BRINKLEY. Mr. Speaker, an aroused and bewildered public, those who have seen their auto insurance rates more than double and those who have received notice of cancellation of automobile insurance with no reason indicated, have contacted their congressional Representatives for relief. In Georgia, our very able insurance commissioner, the Honorable James Bentley, states that some companies cancel a man's insurance when he goes into the Army, or when his children go to college, or when he reaches age 65. Mr. Bentley also reports that companies have a legal right to do this, but says insurance companies have a moral obligation to meet the needs of the public and that some companies are being grossly unfair in selecting their insureds. Fortunately, such insurance companies seem to be in the small minority.

I feel our best contribution at the Federal level, is to respond directly to the insurance commissioners of the States to act as a factfinding body, not a policymaking organization. States have departments designed to develop rules and regulations governing insurance companies and the enforcement power necessary for implementation.

As an example of State supervision, in Georgia, insurance companies will soon be required to submit lists of canceled policyholders to the State insurance department. The State of Georgia insurance commissioner receives 500 complaints a month from persons whose insurance was canceled, drastically reduced, or not renewed. To quote Mr. Bentley:

> We are determined to eliminate arbitrary treatment of Georgia policyholders. Insurance is not a luxury, but in the modern world has become a necessity.

With States taking such action, our best service can be to encourage such diligence on the part of those charged with these responsibilities within the several States.

Mr. FARBSTEIN. Mr. Speaker, on January 26, I joined four other Members of the House in introducing legislation creating a Federal Motor Vehicle Insurance Guaranty Corporation, to protect policyholders and injured parties against automobile insurance company failures. This measure is designed to solve one specific insurance problem; but other more fundamental insurance practices such as soaring insurance rates, arbitrary cancellations, and nonrenewals continue to plague insurance policyholders, particularly the youthful driver and elder citizen.

As we are all aware, every year auto accidents keep increasing regardless of substantial safety programs by both public and private organizations. A recent national magazine estimated auto insurance settlements for 1966 approaching $4 billion. This rising level of claims has resulted in a policy-writing loss for many insurance companies. This serves as their justification for seeking substantial increases in the premiums charged citizens. I can understand the concern of these insurance executives for maintaining a profit margin, but quite frankly, I am not convinced that the size of insurance premium increases requested by insurance companies are necessary. As was recently noted, many insurance companies earn a healthy income from the investments they make during a year on the premiums collected from customers. Therefore, many companies, although possibly losing money on premiums, more than make up for it from the investment incomes earned. I believe investment incomes should be included in computing policyholders' auto rates.

I have received a number of letters from citizens from all parts of the country as a result of my support for the Federal Motor Vehicle Insurance Guaranty Corporation. These letters have listed a wide range of complaints about insurance companies; but a large number of them dealt with the questions of arbitrary cancellations and nonrenewal of policies. Many of these cancellations involved young people but others included experienced drivers who have driven for years without an accident, but who in a brief period were involved in one or two accidents. All of a sudden, these citizens have been notified by companies, often ones with which they have done business for years, that their policy had been canceled. It is not uncommon for such cancellations to be made without clearly stating the cause.

Mr. Speaker, the automobile has become a part of every American's leisure life, but it also plays a vital role in the working day. To cancel a driver's insurance without just cause can work an economic hardship on many responsible citizens.

The non-renewal of a policy seems to be a practice particularly pertaining to elder citizens who, because of age, are no longer considered preferred risks. Again, I believe insurance companies must be responsible for showing just cause for non-renewal and, in addition, provide a means through which citizens can appeal such action. I do not consider age as showing just cause.

Mr. Speaker, the Congress in 1945, gave the power to regulate insurance to the individual States. It seems evident to me that present regulation is not adequate and that it is time the Congress reviewed the present practice of these insurance companies. The many complaints of our citizens cannot continue to be ignored. We have a responsibility to them to assure that they are receiving both responsible and responsive auto insurance service. I know many of my colleagues share this concern.

Mr. CAHILL. I hope that if the representatives of the insurance companies read the remarks in the RECORD, they will hopefully look to the following items for reform:

First. Reform in the marketing place with emphasis upon some imaginative merchandising at lower costs.

Second. A more rapid payoff so that the method of adjusting claims and the time can be shortened between injury and receipt of payment.

Third. That more premium dollars be paid for the victims of accidents and less premium dollars be expended in administration.

I believe that if the insurance companies would correct those three matters they would be taking a giant step forward in performing a great public service to their policyholders.

I thank the gentleman from Pennsylvania, the gentleman from Kentucky, and all who participated in the debate.

THE FEDERAL RESERVE COULD HELP TO AVOID ANOTHER HOUSING CRISIS BY SHIFTING ITS $45 BILLION PORTFOLIO TOWARD LONGER TERM SECURITIES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 40 minutes.

Mr. REUSS. Mr. Speaker, Members will remember the financial fiasco of last August and September. Interest rates reached record levels, the liquidity of our financial institutions approached the vanishing point, and the housing market was starved for funds and utterly demoralized.

I call upon the Federal Reserve System to do its part in averting another such fiasco within the next few months.

In recent months the Federal Reserve has properly added to the money supply by purchases of Government securities in the open market. Unfortunately, until the last few days, those purchases have been almost entirely confined to the short end of the spectrum of Government securities. As a result of these massive purchases by the Federal Reserve of Government short-term securities—accompanied by similar widespread corporate purchases—the yield on Treasury bills has declined from 5.6 percent last August to a current rate of 3.4 percent. But the interest yield on long-term U.S. securities, such as Treasury 1992 bonds, has declined hardly at all—from 5.08 percent to the current 4.91 percent. Rates on long-term corporate bonds and on housing mortgages are even higher.

HIGH LONG-TERM RATES HURT THE HOMEOWNER

This is a ridiculous state of affairs. Short-term rates can afford to be reasonably high without appreciably harming business. More than that, short-term rates that are reasonably high are actually a help to our balance of payments, to at least some extent keeping down our payments deficit by preventing a flight of capital from this country.

But the unreasonably high long-term rates we are now suffering are acutely harmful. They hurt the homebuilder. They hurt the businessman, including the small businessman, who needs to borrow for plant or equipment. They hurt State and local governments who want to build schools and hospitals.

The Federal Reserve bears some responsibility for creating this perverse situation. It has actually been selling long terms and buying short terms in recent years—just the opposite of what it should have been doing.

THE FED IS INFATUATED WITH BILLS-ONLY

Why has the Federal Reserve been so perverse? Mainly, I suggest, because of its infatuation with the bills-only policy which it has been following off and on since March 1953. While theoretically the policy was abandoned in February 1961, one has only to look at the Federal Reserve's portfolio today to see that bills-only still reigns.

The record shows that the Federal Reserve has, since 1961, steadily been returning to bills-only. In 1960, the last year of the unallowed bills-only policy, the Fed's net open market purchases of U.S. Government securities of up-to-1-year maturity was $1.8 billion; of over-1-year maturity, zero. Then in February 1961 came the famous recantation: the Fed was promising to dump bills-only. And for that year, 1961, it did, purchasing $434 million in 1-year-and-under securities, and a whopping $2.6 billion in over-1-year securities.

But thereafter the backsliding began. More 1-year-and-under securities were purchased each successive year, and fewer over-1-year securities. Thus, in 1962, the Fed purchased $1.2 billion in 1-year, and $1.8 in over-1-year; in 1963, $2.8 in 1-year, and $1.4 in over-1-year; in 1964, $4 billion in 1-year, and $1 billion in over-1-year; in 1965, $3.6 billion in 1-year, and only $302 million in over-1-year; in 1966, $4.9 billion in 1-year and only $374 million in over-1-year; and in the first 4 months of 1967, $3.1 billion in 1-year, and only $208 million in over-1-year.

THE FED'S PORTFOLIO HAS BEEN SHORTENED

This backsliding becomes clearly evident in the increasing percentage of short terms in the Fed's portfolio, and the diminishing percentage of long terms. As of December 31, 1960, the Fed's $27.3 billion total portfolio consisted of 55.7 percent 1-year-and-under securities, and 44.3 percent over-1-year securities—with 5.29 percent over-5-year; as of December 31, 1964, the Fed's $37 billion total portfolio consisted of 57.9 percent 1-year-and-under securities, and 42.1 percent over-1-year securities—with 5.64 percent over 5-year; and as of May 24, 1967, the Fed's $45.5 billion total portfolio consisted of 68.2 percent 1-year-and-under securities, and 31.8 percent over-1-year securities—with 3.07 percent over 5-year.

Plainly, the Fed's doctrinaire adherence to bills only is in large part responsible for the fact that excessively high long-term interest rates have not declined. All the decline has come in short-term interest rates.

THE FED'S RATIONALE WILL NOT HOLD WATER

What is the justification of the Fed's bills-only policy? From the Board's own tortured rationale over the years, one gathers that by dealing mainly at the short term, the Federal Reserve thinks it will really be helping the whole economy, because changes in short-term interest rates will be transmitted rapidly to long-term interest rates as well.

The only trouble with this rationale is that it is not so. Take the situation today. Short-term rates are down to 3.4 percent, yet long-term rates are still around 5 percent.

There have been hints in recent days that the Federal Reserve has seen the error of its ways, and is now purchasing some long-term Treasury securities. But this is very late and very little. If the Federal Reserve is to do its part in averting another housing crisis, it must steadily shift its portfolio away from the short term and in the direction of the long term. It need do nothing rash or precipitate. Particularly, it should not create one penny more of the increment to the money supply than is needed for full employment without inflation.

But the Federal Reserve should move. And its movement should be recorded in a steadily increasing portfolio emphasis on the long end of the spectrum. The doctrine of bills only should be consigned to the dustbin, and quickly.

REPAIRING THE REVENUES BY PLUGGING TAX LOOPHOLES

Let me emphasize again that even if the Fed should thus appropriately lengthen the maturity of its portfolio, this would not by itself be sufficient to produce the reasonably low long-term interest rates which are essential for continued economic growth. Confronted with a fiscal 1968 budget deficit in excess of $20 billion, we need some method of putting more revenues into the Treasury in a way that will not slow economic growth. Additional Treasury revenues will mean just that much less necessity for the Treasury to borrow, and just that much lower interest rates. The place to get these additional revenues, I believe, is by plugging some of the more outrageous loopholes in the Federal tax structure. I have set forth my views on this in an article in Commonweal magazine for May 26, 1967:

EXORCISING THE DEFICIT DEMON: OUR RUBE GOLDBERG TAX SYSTEM

During the hearings early this year before the Joint Economic Committee on the President's Economic Report, I kept raising this point: "The economic philosophy of the Administration for some years has been based upon the so-called full employment fiscal dividend theory. The Administration said, in effect, 'Bear with us, gentlemen, while we run deficits for a few years because, when we get to full employment, so carefully have we calibrated economic policy that we will have a nice fiscal dividend.' We now have, in the words of the Council of Economic Advisers, 'essentially full employment.' We also have, in this first half of 1967, a $5 billion deficit on the national income accounts basis. Why is the scenario not unfolding as planned? Has our income-price-profit pattern got out of whack? This is what Karl Marx always used to say about capitalism, and I am anxious to prove him wrong. Isn't the best way to prove him wrong to make sure that we have enough purchasing power and investment in the economy to take off the market the product that we can produce?"

I failed to get a definite answer to my question during the hearings and, regrettably, I have none myself. But here is my guess why the economy seems to need constant stimulus from federal deficits, even with the CEA's "essentially full employment": our loophole-filled tax system is at fault.

I first ask: have the before-tax shares in the national income of the income groups in our society—poorest, poor, middle, better-off, wealthiest—altered appreciably in the last 20 years? I cannot find that they have. Taking the years 1947, 1954, 1960 and 1965 (the most recent for which we have data), the lowest and second lowest fifths of our families received 5 percent and 12 percent of the total family income in all four periods; the middle fifth received 17 percent in 1947, and 18 percent in the other three periods; the fourth fifth received 23 percent in 1947 and 1960, and 24 percent in 1954 and 1965; and the upper fifth received 43 percent in 1947, 42 percent in 1954, 42 percent in 1960, and 41 percent in 1965. Before taxes, then,

the shares of the national pie reveal about the same proportions for the rich and poor in 1965 as in 1947.

So far so good—or so bad for someone who, like myself, has a hunch that things are not so rosy as they seem. But two additional questions need to be asked: (1) have things happened since 1965 which may have altered this stable pattern; and (2) what about *after-tax* incomes?

Two things *have* happened since 1965. From December, 1965, to December, 1966, the cost of living went up 3.3 percent (the sharpest increase in the last 15 years except for the 3.5 percent increase for a twelve-month period in 1956–57). While we lack definitive data on just how much this inflation has diminished real consumer income, it has undoubtedly had some effect

Two things *have* happened since 1965. in skewing real income away from the poor and toward the not-so-poor. Particularly this seems to be true of factory workers. Manufacturing workers' real spendable earnings actually declined in 1966, the first time they have done so since 1960. Meanwhile, the after-tax profit margins of manufacturing corporations in 1965 and 1966 were the highest since 1950.

A second post-1965 development has been the rapid increase in interest rates, only recently checked, caused by the stringent monetary policies of the Federal Reserve system. While the effect of higher interest rates on income distribution has also been most inadequately researched, my guess is that people who pay interest on home mortgages, on automobile and other consumer installment paper, and on personal loans, tend to be a shade poorer than the people who receive interest. If so, this could be a further case of recent skewed income distribution.

But the primary cause of income maldistribution—the thing that may be ruining the dream of the full employment surplus—is our tax system. Fifteen years ago we had all the classical tax loopholes—the oil and mineral depletion allowance, the escaping of capital gains tax if the taxpayer will have the wit to hold his appreciated securities until he dies, the beginnings of the abuse of the income tax-free state and local bonds issued for private industrial plant purposes, the ability of a wealthy taxpayer to buy U.S. bonds at 85 and have his estate turn them in a few weeks later at 100, and so on. After 15 years, these loopholes, plus some new ones, still remain.

Perhaps more important, general federal tax reduction in the last 15 years (with rare exceptions) has been overwhelmingly weighted in favor of the higher-bracket taxpayer, who saves a large part of his income, and against the lower-bracket taxpayer, who tends to spend what he gets. The tax revisions and depreciation reductions of 1954, the accelerated depreciation and investment tax credit of 1962, and the tax revisions and reductions of 1964, all tended to promote higher savings more vigorously than they did higher consumption. Moreover, the successive increases in the social security payroll tax took large bites out of lower-income people who would otherwise have been spending that money. And meanwhile, regressive state and local real property and sales taxes were hitting harder the very same pocketbooks. Only the excise tax decreases of 1965, and the provision of the 1964 Act dividing the first $2000 income tax bracket into four steps with much lower rates, did much to promote consumption.

Nobody knows what a real tax reform, with emphasis on loophole-plugging as well as on more equity for the low and middle income groups, could mean. But I have a hunch that the private economy—consumers with money in their pockets and investors anxious to build plants and equipment in order to take advantage of that market—would stand a much better chance of making the full employment surplus dream come true with such a redistribution of after-tax income.

If my hunch is correct, our tax system is encouraging individuals and businesses to try to divert a larger proportion of the total income steam into savings than they are willing to put to work in productive private investment. The result is that consumption plus investment does not take up the whole income stream, leaving excess savings that flow abroad or into speculation in the stock market or in real estate. Then the economy can stay at high level only as long as government (federal, state and local combined) runs a deficit large enough to offset excess private savings. When government does not do this, the excess of planned savings over desired investment leads to a decline in private activity, with its hardships in the form of idle men and idle machines.

The original scenario of the full employment surplus rested on the implicit assumption that we would get to full employment with a correct balance among consumption, savings and investment. Shouldn't we return to that scenario by reforming the tax structure, so that the private economy can generate a balance among consumption, savings and investment, and hence the growth of income that will produce the very budget surplus we were originally promised?

It may not take very much. It could be that the billions which now leak through the joints of our Rube Goldberg tax system could be surprisingly like the $5 billion budget deficit the Government currently is running. Recovering some of those billions for the Federal Treasury from those who neither consume nor invest could make possible easier money, since the Federal Reserve would no longer have to fight the deficit demon. And easier money would encourage the economic growth that a balanced economy needs.

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

Mr. REUSS. I yield to the gentleman from California.

Mr. HANNA. Mr. Speaker, I would like to associate myself with the remarks the gentleman is making. Certainly this House should be well acquainted with the many contributions which the gentleman from Wisconsin has made as a well-informed and concerned Member of this House in a very difficult field of the involved financial structure of the United States.

However, I would ask the gentleman, in addition to the comments he has made, if he would not believe that this Federal tilt of the portfolio to short-term bills might not have some relevance to the bill we will have before us on Wednesday, in which we will seek to increase the debt ceiling, but also will consider power to penetrate the interest ceiling on some of the long-term debt of the Treasury?

Would the gentleman comment on this?

Mr. REUSS. Yes. In my opinion the reasons I have advanced for the Federal Reserve's getting rid of its "bills only" policy become even stronger in the light of what I am informed is contained in that debt ceiling bill which will be before this House next Wednesday.

I am informed—and the gentleman will correct me if my information is not in accord with his own—that the bill contains a provision which pierces the 50-year-old, 4¼-percent ceiling on Federal securities of more than 5 years, and allows the 4¼-percent ceiling to be pierced on issues, I believe, up to 7 years.

Mr. HANNA. Yes; it is 7½ years.

Mr. REUSS. It may be said that this is only a small baby, but as far as I am concerned, it represents a departure from a principle which, by and large, has been a healthy principle for the Nation's taxpayers, the Nation's homeowners, and the Nation's small businessmen in the last 50 years, in that it has tended to keep excessive increases in long-term interest rates from occurring.

I would hope that when we consider that phase of the debt ceiling bill next Wednesday, we may do something to temper the propensity of the Federal Reserve System to make bad matters worse by seeking to raise long-term interest rates.

If the "Fed" does what it has already done, I would be very much afraid that they would do everything in their power to see that Uncle Sam had to pay the highest possible rates in those new 7-year securities on which the ceiling is now proposed to be removed.

So I believe the gentleman makes a very pertinent point indeed.

Mr. HANNA. I thank the gentleman, because I believe he is exactly on target on this matter. Probably a part of the whole problem which we are now asked to direct attention to, in regard to permitting this opening, this first breaching of a 50-year-old policy, is created by the very fact that there has been such a mass movement into short terms that it has affected Government debt substantially over the past few years.

It is also true, is it not, that we perhaps are being a bit myopic again, as the gentleman and I suggested in early 1966, by not bearing down on a fiscal policy to go in tandem with a monetary approach, which is our responsibility?

They may not be doing what they are doing right; but we are not doing anything at all about what we should be doing our part in; that is, establishing the fiscal policy to go along in the traces side by side.

I believe the gentleman will agree that the housing market, and the small businessmen, and so on, would be much better off with a policy that was fiscally oriented to this situation, than one which is singularly monetary in its solution.

Mr. REUSS. I believe the gentleman is entirely correct.

While I have not been sparing in my criticism of the Federal Reserve this afternoon, I believe it is only fair to recognize that there are other actors on the stage who have not fulfilled their roles. Included therein should be we who serve in the Congress who, after all, are in ultimate charge of tax policy, and also those in the administration, who should have been concerned months and months ago with bringing to the Congress a loophole-plugging tax bill, so that the burden would not be so exclusively on the monetary authorities and on the Federal Reserve as it has been.

If what I have said makes this look a little like the last act of Hamlet, so be it, because I believe many are responsible, and perhaps many who should now be

instructed to get on with our full employment without inflation economic goal.

Mr. HANNA. I commend the gentleman for seeking this kind of balance. I see in this picture something that has not been emphasized very clearly.

We are used to having problems in the economy of price push or wage pull, or this kind of thing talked of in terms of ordinary inflation, but not very many people have seen the influence of capital shortage in the light of such tremendous, almost massive, capital requirements. It seems to me what the gentleman is pointing out in the light of this tremendous massive capital requirement is that we must have a balance in monetary policy between short and long term, and we also must have a balance between the Government's spending its money through its fiscal policy as well as going to the market at a time when there is such a massive incursion into the market for capital for all requirements as today.

Is that not the gentleman's position?

Mr. REUSS. The gentleman has said it very well.

I would reiterate one point, that neither the gentleman from California nor I in any way advocates that the monetary authorities should create new money at one nickel's worth faster rate than is necessary for a full employment without inflation economy.

All we are saying is, why be sadistic? If the monetary authorities have determined that x rate of monetary increment is necessary for the good and welfare of the economy, why achieve it all by purchasing at the short end of the spectrum and hurt our balance of payments in the process, when one could do a little good for the homeowner, for the small businessman, and for the local school district by purchasing at least a fair modicum in the long end?

Mr. HANNA. I believe the gentleman is precisely correct. As I say, I certainly will be with him in making his presentation and in many other efforts, by which we can bring our policy back into an effective process.

I thank the gentleman for yielding.

Mr. REUSS. I thank the gentleman.

BLAME FOR MIDDLE EAST CRISIS FALLS ON U THANT AND THE U.N.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Alaska [Mr. POLLOCK] is recognized for 10 minutes.

Mr. POLLOCK. Mr. Speaker, the news this morning carries the tragic word of the outbreak of another war. The crisis of the last few days has erupted into the inevitable conflict. I believe it is the time to place the blame for these events precisely where it really belongs—in the lap of the Secretary General of the United Nations, U Thant.

It is ironic that on the first day of this new conflict the New York Times carries U Thant's excuses for his role in it on page 1. Yet there can be no conceivable justification for the precipitous withdrawal of the U.N. troops from the Egyptian-Israeli border in the face of the deliberate, provocative acts of Egypt. It was this act ordered by U Thant that brought on the crisis and the obvious rush toward its inevitable end—war. I will not detail all the arguments pro and con over the Secretary General's actions. It is sufficient to say that he acted without consultation with anyone with or without time for reflection. The advice of the great powers was not sought, nor did he bother to bring the matter before the Security Council. Certainly the Secretary General should at the very least, have flown to Cairo to explore the entire situation with President Nasser and should have advised him there would be no withdrawing of the troops. Without the withdrawal, there would have been no crisis and no new war. There are reports that even Nasser himself was surprised at the acquiescence and fast U.N. withdrawal. The Arabs have made many demands in the past without any real intention of carrying through. The U.N. retreat put Egypt in the obvious position of carrying out their threats or losing face.

One of the reasons for the United Nations' existence has been its peacekeeping efforts in conflicts between small powers. Apparently, by U Thant's own admissions and by the inconclusive fumblings of the Security Council, the U.N. can no longer perform this role. The world organization in this crisis has gone a long way towards contributing to its own demise. It is very possible the United Nations itself will be the chief casualty of the Middle East war. Should this be the case, much of the responsibility must lie squarely on the head of the Secretary General.

I do not know the real reasons for U Thant's action. It may have been sheer stupidity or it may have been a calculated move designed to bring the matter to a head, which is worse than stupidity. In any case it could mean the end of a dream. Perhaps the dream of a united peaceful world is impractical. I don't think so. Nevertheless, men must keep trying. The real tragedy is that one of the best attempts has been scuttled by the incredible mistake of the very man sworn to make it work.

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

Mr. POLLOCK. I yield to the gentleman from Illinois.

Mr. PUCINSKI. Mr. Speaker, I would like to congratulate the gentleman for his excellent statement and associate myself with his remarks to the extent that if indeed there is war in the Middle East, the Secretary General of the United Nations cannot absolve himself from the responsibility for it. I certainly agree with the gentleman that the United Nations is at the crossroads of its continued existence or collapse. We are all deeply concerned about what is going on in the Middle East. President Johnson is exercising great restraint in not inflaming the situation any more than it has to be but I believe the United States must tell the world we shall not abandon Israel if her sovereignty is threatened. I certainly agree that if the United Nations is incapable at this crucial juncture in world history of resolving this problem in the Middle East, it may very well be the end of the United Nations. I hate to speculate what will come in its place, but I think that the delegates to the United Nations, particularly those in the Security Council, ought to at this moment weigh very carefully what they are doing and how they are doing it, because we have seen the United Nations previously fail to respond to major crises.

Mr. Speaker, the United States has too often had to act unilaterally in an attempt to try to resolve similar problems.

Mr. Speaker, I say that the time has come when the United Nations and all parties concerned with the United Nations ought to recognize one thing—that American patience is not inexhaustible. We have in the past given the United Nations every opportunity to grow and develop and to find ways and means of resolving conflicts. We have tried to explain and to repeatedly justify some of its failures, because we recognize that the United Nations is dealing in the most difficult arena of human emotions and historical clashes.

But, Mr. Speaker, I agree with the gentleman from Alaska [Mr. POLLOCK] and it is my opinion that the gentleman performed a noteworthy public service by calling attention to the fact today that the very existence and the survival of the United Nations is at stake. I wish that every delegate to that organization will ponder very carefully the consequences if the United Nations fails right now to find an effective means with which to resolve this situation.

Mr. Speaker, it is my opinion that the suggestion to dispatch a peacekeeping force to that troubled zone right now with which to restore order is a good one.

If the United Nations should falter, if it fails to respond to this most urgent need, then, indeed, I believe there will be a great deal of clamor in this country as to the future of the United Nations.

It has been our hope that the United Nations would have found some workable suggestions to protect Israel from her warring neighbors. But the United Nations obviously has failed and we see the tragic attack on Israel today. There is no time to waste.

I would hope some way can be found to establish peace in the Middle East, but, Mr. Speaker, if the U.N. cannot do it, then the United States must firmly state it will stand ready to help Israel immediately in the event she should ask for such help. We cannot leave Israel carry the full brunt alone of checking Arab and Soviet expansion in the Middle East.

Mr. POLLOCK. Mr. Speaker, I thank the gentleman from Illinois [Mr. PUCINSKI] for his very excellent statement and for the contribution which he has made to this discussion.

Mr. DON H. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. POLLOCK. I am happy to yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Speaker, much has been said today about the current crisis in the Middle East which, we learned this morning, erupted into a

major military clash between Egyptian and Israel forces in the Sinai Desert.

My mail of the past few weeks, Mr. Speaker, indicates deep concern and confusion over our position in the Middle East crisis and I must say, with all candor, that I share their concern and confusion.

The questions being raised, in my judgment, are valid. Are we or are we not committed to support Israel by the tripartite agreements of 1950 and 1956? Should we or should we not take unilateral action in the Mideast if the United Nations continues to vacillate much longer? Can we or can we not oppose a blockade in one area of the world and impose one in another? Were we or were we not maneuvered into a corner by Russia and the United Arab Republic in this Middle East crisis?

Certainly, Mr. Speaker, anyone who understands the situation intimately is very concerned about the problem, particularly the unexplained action by the Secretary General of the United Nations, Mr. U Thant, in withdrawing U.N. troops from the contested Egyptian-Israel border. This he did apparently without even consulting the major powers of the world or obtaining the concurrence of at least those countries that have been carrying the major burden of international security obligations and commitments.

In light of this action, Mr. Speaker, I believe it is incumbent upon this administration, the Congress, and those who have been supporting the efforts of the United States within the framework of the United Nations to demand a detailed explanation of this action on the part of the Secretary General.

And further, Mr. Speaker, we, in turn, are certainly going to have to weigh, very carefully, our future course of action and support of the United Nations. If it cannot serve its basic purpose or even uphold its own charter, I doubt very much whether the American people will have confidence in its future ability to serve as the "peacekeeping" organization of the world.

If the conflict that is now underway in the Middle East ultimately results in a major war, I believe the blood is going to be on the hands of the Secretary General for what, in my judgment, has been unwise and untimely action on his part.

Mr. Speaker, I want to go on record as urging this administration, the United Nations, and all responsible authorities to take whatever action is necessary to bring about a cease-fire as soon as possible in this Middle East conflict.

EAST-WEST TRADE—REMARKS OF ARCHIE E. ALBRIGHT TO THE FOREIGN POLICY ASSOCIATION, JUNE 2, 1967

Mr. REUSS. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. OTTINGER] 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 Wisconsin?

There was no objection.

Mr. OTTINGER. Mr. Speaker, one of the major issues facing us today is the subject of expanding our trade with the East. For over a decade we held the official attitude that doing business with the Communist countries would merely help them continue and spread their way of life. However, this attitude is changing. We have come to the realization that Soviet bloc countries will find Western nations with which to trade whether we engage in such trade or not. If we shut ourselves off completely from economic exchange with the nations of Eastern Europe, we will be the losers, not they. We have a very real economic stake in expanding trade with other nations of the world and I believe history has proved to us that withholding our trade is not likely to retard the growth of the Soviet bloc nations.

This is being realized more each day, not only by our policymakers but by American industry as well, as demonstrated by the address delivered last Friday by Mr. Archie E. Albright, executive vice president of the Stauffer Chemical Co. of New York, to the Foreign Policy Association. Mr. Albright, a trustee of the Foreign Policy Association, notes that in trading with the East "our own national self-interest and the interest of world peace will be served best." I read Mr. Albright's remarks with great interest and believe that they deserve our careful consideration. Therefore, I am pleased to present Mr. Albright's remarks herewith for inclusion in the RECORD:

REMARKS OF ARCHIE E. ALBRIGHT TO THE FOREIGN POLICY ASSOCIATION, JUNE 2, 1967

I am particularly glad to have the opportunity to share some personal observations with you today on the subject of East-West trade—a subject which I believe is of considerable urgency, not only to the American business community, but to the future well-being of the nation.

For the past twenty years there has been an economic freeze, in varying degrees of coldness between the United States and the Eastern European countries. In my view, this freeze has not always served the best interests of either the United States or the communist oriented countries.

The situation has been studied and restudied over the years by governmental agencies, foundations, professional associations and business groups, as well.

The conclusions and recommendations which have resulted from these studies generally indicate that a liberalized trade policy between the United States and the Eastern European countries is one potential road over which we might travel toward a thaw in East-West relations.

The policy of our government has gradually shifted from a posture of economic nationalism with respect to Eastern Europe, to provide substantial leadership in moving toward the objective of peaceful engagement through increased trade.

The President and many leaders of Congress have affirmed the wisdom of this approach. In May of 1966 the administration sponsored an East-West Trade Relations Act designed in part to help achieve a more liberal trade policy. While the bill did not pass and its future is problematical in the 90th Congress, its very introduction was an important step forward in our trade policy attitude toward the Soviet Union and the Eastern European countries.

In October of 1966 the President authorized the Export-Import Bank to provide normal commercial credit guarantees on industrial exports to Poland, Czechoslavakia, Hungary and Bulgaria. This practice had been in effect since 1964 with respect to Rumania, and there are indications that the Eximbank, Agency for International Development, and World Bank will consider a more flexible approach to supporting long-term U. S. trade development.

Still another liberalization in U. S. government policy was the recent removal of more than 400 nonstrategic items from the Commerce Department's Commodity Control List. Thes products can now be shipped without specific export licenses. This list of 400 was expanded in mid-May and it is reasonable to anticipate that other products, presently requiring a specific export license, will be dropped from the Commerce Department's list in the future.

In short, there have been a number of positive governmental steps forward toward a thaw in our trade relations policies with Communist-bloc countries. This progress is, I submit, of vital importance in the continuing search for a viable peace—providing a point of departure from which we can improve our trade relationships with Russia and Eastern Europe and add strength to the underpinnings of so-called "bridges of understanding," between the East and West.

I do not suggest that increased trade and commercial communications between ourselves and the Communists will resolve the basic social and political conflicts between Communism and our free society.

But a hard-headed, *quid pro quo* trade policy between America and the producing countries of Eastern Europe can go a long way to foster the type of peaceful engagement which hopefully will moderate the suspicions and tensions which divide us. And, at the same time it can provide new and expanding markets for American goods and services.

On balance, it would seem that United States business has much to offer the Soviet Union and Eastern European countries, particularly in the sale of technology. Developments in the U.S. in process technology for the production of non-strategic items has been much faster than in Russia and Eastern Europe because our economy has been consumer oriented to a much greater degree for a much longer period of time. Communist countries have indicated an increasing interest in U.S. products and technology and a willingness to pay—not only by way of reasonable prices or royalties, but also by protection of technology, protection of patents and trademarks.

It is encouraging to note incidentally, that the Soviet Union has already become a member of the Paris Convention for the protection of foreign-owned patent rights and many companies, including my own, have taken a much more liberal view with respect to filing patent applications in Russia. To the best of my knowledge, the Soviets have scrupulously observed the rights of foreign companies arising from these patent rights. Admittedly, copyrights have faired less well to date.

What is the present dimension of U.S. trade with the Soviet Union and the nations of Eastern Europe? In 1966 trade reached its highest level in twenty years, excepting 1964 when large volume wheat shipments ballooned the total by some 180 million dollars.

Two way trade between the United States, the Soviet Union and the Eastern European countries exceeded $375 million in 1966 as compared with $277 million in 1965. The balance of trade was slightly in favor of the United States, with U.S. exports approaching $200 million while total imports were about $180 million.

The overall increase between 1965 and 1966 is an impressive 35%. But the increase loses much of its significance when we consider the relatively low base on which it is com-

puted, and absolutely palls when you consider what our friends and allies in Western Europe and Japan are doing in volume of trade.

Consider these statistics. Preliminary figures from the Department of Commerce indicate that in 1966 trade between the Federal Republic of Germany and the Eastern European countries including East Germany and Russia exceed $2 billion—more than five times that of the United States. The United Kingdom reached about $1 billion and Japan, France, and Italy fall in the range between $600 million and $1 billion.

The figures speak for themselves. Suffice it to say that the United States, as compared to the other leading manufacturing countries of the world, is not getting a competitive share of the fast growing Eastern European market.

Admittedly, even if the value of technical data, services and exports by subsidiaries or licensees of U.S. firms were added to the United States trade figures—and these values would be difficult to come by—it is clear that the comparison with other trading nations would still be unfavorable. The reason for the unfavorable balance cannot be attributed solely to a lack of U.S. interest in competing for Eastern European business. The economic facts of life—market proximity, labor costs, raw material sources—have given our friends a head start. But there are ways in which we can make ourselves more competitive in these markets.

I have touched on what has been done by the Administration in an effort to stimulate our overall long term trade policy toward Eastern Europe and Soviet Russia:

The introduction of the East-West Trade Relations Act of 1966;

The liberalization of export controls;

The extension of commercial credit facilities.

These steps are obviously based on the premise that a trade "boycott" of Russia and the Eastern European countries is not in our own self-interest, particularly when the same commodities, goods, services and sophisticated technology are available from third country sources.

It is impossible for us to persuade our allies to join in an effort to foreclose trade with the Communist oriented countries—nor, in my own judgment, would this be at all desirable.

If one accepts this general premise—and I suspect that there may be many here today who do not—I should like to consider briefly what additional steps might be taken both by the Administration and by business leaders to effectively expand East-West Trade and American participation in it.

The availability of credit on reasonable commercial terms is an essential element in the conduct of an expanding trade picture with Eastern Europe. For many years most of the Western industrialized countries have provided credit arrangements to their nationals to assist in increasing exports to Eastern European countries.

Extensive use of credit, credit guarantees and insurance facilities have without doubt been of substantial aid in maintaining a high level of trade. This is particularly true when considering major plant installations which run to many millions of dollars. Some of these major credit arrangements have been granted for ten years or more.

United States firms, on the other hand, are at a disadvantage in this respect, since U.S. credit facilities in support of trade to the Eastern European countries have been quite limited. Two principal obstacles to the extension of such credits have been the Johnson Act of 1934, and legislation which permits Export-Import Bank guarantees on private credit financing of exports of commercial products to communist countries only after a determination by the President that such action is in the national interest.

The Johnson Act provides that loans may not be extended to any government which is in default in its obligations to the United States. Since the Act is applicable to most of the Eastern European countries, it has been the principal obstacle.

Several years ago the rigid application of the Johnson Act was modified by the Attorney General. He ruled then that the Act did not prohibit extensions of credit within the normal range found in commercial sales of a like nature to other countries.

Nonetheless, even though most Eastern European countries enjoy good credit reputations, lending institutions have been slow to show interest in extending such credit unless the U.S. government would supply substantial guarantees or insurance of the private credit being extended.

Since the Johnson Act does not apply to the actions of the Eximbank, the focus of attention naturally shifted to the Eximbank's willingness and ability to guarantee commercial credits.

Recently the Eximbank has been authorized to guarantee appropriate short and medium term commercial credits on those products which are not restricted from export to Eastern European destinations.

These actions have enabled the U.S. exporter to become more competitive with other industrialized countries in obtaining orders from most Eastern European countries for those goods, services and technology which the Commerce Department is willing to approve for export. Notwithstanding the help that Eximbank can provide, it remains clear that the competitive advantage of the other industrialized nations, by way of medium and long term credit extension, remains a problem for U.S. exporters.

A note here about indirect credit assistance; the President recently announced that the Eximbank has been authorized to extend a multi-million dollar loan to an Italian bank for the purchases of U.S. goods destined for installation by Fiat in a Russian automotive plant. While the Administration action has met with mixed reactions, including severe criticism, there is good reason to expect that there will be future instances of the need of such supplemental financing—particularly in exceptionally large transactions—and there is hope that these requirements will be carefully considered in the light of their benefits to U.S. industry.

The conclusion to be drawn from this brief discussion of the credit situation is, of course, that government policy makers should take another look at our credit policies with a view—either through new legislation or through presently existing means—to making those policies more responsive to the needs of the American business community. Nor is this conclusion limited exclusively to improving trade with the Eastern European countries. Its application extends as well to the emerging nations of the world, where, because of lack of credit availability, a significant market is inaccessible to United States exporters.

Along with a liberalization of credit policies, there are other actions which we can take to improve the climate for increased world trade. In April of this year the National Export Expansion Council issued a penetrating report entitled "Trade and Investment in Developing Countries." The report made a series of far-reaching recommendations which are too numerous and detailed to examine in this short time. However, I would like to highlight several of the more important conclusions which the study group reached.

In calling for government actions which would bring about significant increases in the attention U.S. business pays to the Eastern European countries and the lesser developed world, the Action Committee of NEEC focused on those steps which would bring about substantial improvements in profit/risk ratios. Among other points, the recommendations called for:

1. Major new U.S. tax incentives for American firms doing business abroad;

2. Increased efforts to help developing countries increase their own export earnings, including consideration of preferential U.S. tariff arrangements;

3. Expansion, rationalization and improvement of existing government information, guarantee, loan and other supporting services for such business activities; and,

4. A shift in emphasis in government trade development programs to give more recognition to foreign investments and other methods of international business, rather than focusing so heavily on exports.

In a related report entitled "Export Promotion" the Action Committee of NEEC made still further recommendations, one of the more important of which was the enactment of legislation similar to the East-West Trade Relations Act of 1966. The Committee favors a nondiscriminatory tariff approach, or most favored nation treatment, and urged the removal of obstructions now blocking trade expansion in this area.

I subscribe to these recommendations. If you conclude—as I have—that an expanding trade picture with the communist oriented countries is in fact in our *national interest*, as well as that of U.S. industry, I urge you to join in the effort to achieve that end.

One final word before I conclude:

Going beyond the problems of increasing the two way import-export flow between the United States, Russia and the Eastern European countries is the question of possible direct United States investment in the Communist oriented countries. An unthinkable postulate a few years ago, the concept of direct investment today, based on economic history since the end of World War II, could be the next logical step to getting a stronger competitive position in these fast growing markets.

At first blush investment in the socialist countries where production facilities are state-owned and state-controlled appears to be basic economic contradiction. But is it really?

In recent years there has been a continuing shift away from the economic rigidities which were imposed by the Soviet Union. There is a marked tendency by most Eastern European countries toward a reassertion of their national identities. There is ample evidence that there has been a turning away from economic centralization to a greater use of the profit incentive.

Yugoslavia is the classic example. After its break with the Cominform in 1948, Yugoslavia embarked on a program of economic decentralization and allowed considerable autonomy to individual enterprises. The results are that today Yugoslavia enjoys full membership in the more important international economic institutions such as the World Bank, GATT and the International Monetary Fund.

Yugoslavia does not represent an isolated change. At the beginning of 1967 Czechoslovakia took steps to free itself from the Soviet economic prison of central planning and adopted a near-capitalistic credo which calls for an individual enterprise to be measured by profits arising from actual sales to customers.

In short, almost all of the Eastern European countries are working to overcome the clumsiness and inherent inefficiencies which come from over-centralized economic direction. With the exception of Russia, I suggest that it is possible that the Eastern European countries may well turn in the future to the free world for direct investment on some equitable basis just as they have for our products and technology. I also suggest that we be alert to any indications of this trend and be prepared to take advantage of them where they serve our interests.

There is much that is controversial in what we have discussed today. The sacrifices of the Viet Nam war lead many wise and sincere Americans to a very different view of our relations with Russia and Eastern Europe. I respect their wisdom and sincerity. But I firmly believe the strength of our free society is such that we can take these steps with confidence that our own national self-interest and the interests of world peace will be served best.

REFORMS ARE NECESSARY IN THE ELECTORAL PROCESS

Mr. REUSS. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BINGHAM] 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 Wisconsin?

There was no objection.

Mr. BINGHAM. Mr. Speaker, last week the President sent to the Congress a major message on the political process which took a forthright approach to the realities of modern political campaigning and financing. The President pointed out that existing statutes dealing with election campaigning are more shadow than substance and really do not remedy the abuses which they were aimed at.

The details of campaign financing have long been deliberately obscured with resulting suspicion and cynicism on the part of much of the public. As the President noted:

The heart of basic reform is full disclosure.

During the last Congress, I introduced a comprehensive bill to reform our election procedures and to require complete disclosure of all sources of income, gifts, and assets.

I think that the proposed Election Reform Act of 1967 with its requirement of full disclosure of every contribution, loan, and expense item over $100 for every candidate for Federal office, will go a long way toward clearing the fog from this subject and restoring public confidence in the electoral process. Moreover the new ceiling of $5,000 which any individual, or his wife or minor children, can contribute to any one candidate will close some of the loopholes in existing law which have been grossly abused.

An outstanding example of legislation which has failed to correct the abuses for which it was designed is the Federal Regulation of Lobbying Act passed more than 20 years ago. The act was designed to require lobbyists to register with the Federal Government. Some of the most influential and best financed groups have avoided registration by means of the loophole in this law known as the "principal purpose test," under which only those whose principal purpose is the influencing of passage or defeat of legislation must register. The President has supported S. 355 which has already passed the Senate and which recognizes the need for closing this loophole to protect the public interest by providing for registration by any individual or group which has as a substantial purpose the influencing of legislative action.

The President's proposed legislation also recognizes the irony of the existing situation in this country where—in a time when the right to vote has been secured for all citizens through Federal legislation—the increased mobility of our citizens has disenfranchised millions of otherwise eligible voters due to the varying State residence requirements. Any local interest in such requirements would seem to be far outweighed by the national interest in having all eligible voters cast their ballots for President and Vice President.

I have mentioned only a few of the far-reaching reform measures proposed by the President, but these areas seem to me to be indicative of the entire tenor of the election reform proposals, which seek to cope with present realities in the field of political campaigning and financing with realistic and effective legislative solutions.

ORGANIZED LABOR RESPONDS TO CHANGE

Mr. REUSS. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BINGHAM] 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 Wisconsin?

There was no objection.

Mr. BINGHAM. Mr. Speaker, Gus Tyler, assistant president of the International Ladies' Garment Workers Union, made some interesting observations about the labor movement the other day which I believe should be called to the attention of all my colleagues.

Mr. Tyler, a most thoughtful observer of the trade union situation, has written a book called "The Labor Revolution." He was interviewed about it on the AFL–CIO public service radio program, "Labor News Conference," on the Mutual Broadcasting System. He predicted a surge of union organization among white collar, government, service trades, and professional workers that will greatly increase the membership and affect the character of the labor movement.

So that we may all know what Mr. Tyler said, Mr. Speaker, I am including the transcript of the program with my remarks at this point in the RECORD.

"LABOR NEWS CONFERENCE," MAY 16, 1967

Subject: "Organized Labor Responds to Change."

Guest: Gus Tyler, assistant president, International Ladies' Garment Workers Union, AFL–CIO.

Panel: Stanley Levey, labor correspondent, Scripps-Howard Newspapers, Alan Adams, Washington correspondent, Business Week Magazine.

Moderator: Harry W. Flannery.

FLANNERY. "Labor News Conference. Welcome to another edition of "Labor News Conference," a public affairs program brought to you by the AFL–CIO. "Labor News Conference" brings together leading AFL–CIO representatives and ranking members of the press. Today's guest is Gus Tyler, assistant president of the International Ladies' Garment Workers Union, AFL–CIO, author of "The Labor Revolution," the recently-published analysis of the development of trade unions in the United States and their future in an ever-changing world.

Throughout its history, organized labor in America has been evaluated, criticized and often attacked from all areas of social, economic and political life in this country. Here to question Mr. Tyler about the conclusions he comes to in his book are Stanley Levey, labor correspondent for the Scripps-Howard Newspapers, and Alan Adams, Washington correspondent for Business Week magazine. Your moderator, Harry W. Flannery.

And now, Mr. Adams, I believe you have the first question?

ADAMS. Mr. Tyler, in your book, you describe how labor has undergone two revolutions and now is in the stages of a third. Will you explain to us what you mean by that? What is a "labor revolution?"

TYLER. It is a quiet revolution, like the others have been—so don't expect any mass panics or riots in the streets. But the revolution is significant in terms of economic and political impact.

The first great revolution was the breakthrough about 1900, when the American Federation of Labor really took on size, and strength and meaning in the United States. This was the organization of workers in craft unions—mainly skilled.

The second quiet revolution took place in the mid-1930's, when the industrial workers in the United States were organized, first by the Congress of Industrial Organizations, and then by the AFL unions. That just about doubled the size of the trade union movement in the United States and once more changed both the character and political impact of American trade unionism.

We are now, it seems to me, on the threshold of a new kind of quiet revolution in the United States, in which we will see the organization of an entirely new sector of the American labor force that is now the dominant sector in American labor. It too, will change the size of American labor—I expect it may well double, as a percentage the labor force in the United States. It will also change the character of the American trade union movement.

And finally, it will increase the political impact of American trade unionism on the American scene.

LEVEY. Mr. Tyler, I gather from what you have been saying and from reading your book, that you would agree with Mark Twain that the reports of the death of the American labor movement are grossly exaggerated.

TYLER. You are quite right, Mr. Levey. I don't write unless I am angry, because I have other things to do. But so many people were writing about the death of American labor that I thought somebody ought to indicate that the obituary notices were unfounded and exaggerated.

It was a general thought that as automation moved into the American scene, the labor force itself would become obsolete, and, of necessity, since there wouldn't be working men, therefore, there wouldn't be organizations of working people. I read one piece after another that said there would be no trade unionism—or, if there is trade unionism, it will have no significant impact and certainly no political importance in the United States.

Upon examination of the facts—and I live with this thing from day to day—quite the reverse has been happening. Automation has not wiped out the American labor force—we now have more people in the American labor force every single year. Nor has automation, by itself, caused mass unemployment. We are rather low in unemployment in the United States—the lowest in 13 years. This is due to the fact that social measures have been taken—many of them at the spur of the American trade unions—that have created a demand in the United States to offset the impact of automation.

So we do have a labor force. It is being organized. But, another thing was happening in the midst of this. Blue collar workers were becoming a smaller part of the total labor force. The white collar and service workers were becoming an ever larger part of

the labor force. Since the traditional trade union movement in the United States is based on the blue collar worker, that traditional section was not growing at the usual rate. In some sectors, it was actually falling back. So it was at a standstill.

What these observers and commentators failed to see was this new huge factor coming up in the American labor force—the factor that can be defined as the people engaged in service trades—in white collar, government employment and professional work.

They are now the majority. And they are just beginning to organize. As they organize, a new kind of vitality must inevitably be imparted to the total labor movement, and we are seeing this in progress now—at least for the last two years. I think it is picking up momentum, and by the end of the 1960's, we will see a kind of revolution in the American trade union movement that is the equivalent of the revolution in the CIO in the mid-1930's, and of the AFL in the 1900's.

ADAMS. What you are saying, Mr. Tyler, rather, what the critics are saying, is that the labor movement, in balance, is not growing as a percentage of the work force. Now I think that is probably true today. Your projection of a revolution is that it is coming—it is not here. Indeed, is it even starting, would you say?

TYLER. I am moving over 25 years—that was the framework of reference that I took for the book—and I would not say that it is going to happen if I had no factual evidence.

I could proceed from theory alone and say that if the craftsmen organized, and the semi-skilled and unskilled workers organized, why shouldn't the white collar, professional and governmental employee organize? That would be a theoretical statement, and I think there is validity to that kind of theoretical approach.

But we also have evidence at the present time. Four years ago, the American Federation of Teachers, AFL–CIO, appeared to be just a talkie-talkie little sect that would never go any place—and might be lucky if it survived. Within the last four years, two major developments have taken place in the educational world. The American Federation of Teachers, at the present time, counts some 140,000 members—it has more than doubled its membership in a very small span of time. In terms of rate of growth, this is really the parallel of the old CIO.

But more than that, in a very recent election in the District of Columbia, the American Federation of Teachers went in and challenged the National Education Association—the traditional nonunion representative of teachers in the United States—on the NEA's home base and won, rather overwhelmingly.

There is also a parallel development that is equally significant. If you look at the American Federation of Teachers, you can actually see the growth and you can count the growth—by numbers. But the union idea has caught on far beyond the boundaries of the American Federation of Teachers. The National Education Association has looked upon itself, traditionally, not only as non-union, but, if you please, as anti-union—a professional association that would not act like a union. But once an idea begins to spread, it becomes infectious—in the same way that company unions in the early days of the CIO switched over, broke away from the companies and became legitimate unions.

So the NEA today is entering elections and asking to be certified as a bargaining agent—which makes them a union. They are entering into collective negotiations and signing contracts—which makes them a union. They are calling for boycotts of school systems. They strike—but they don't call a strike a strike, they call a strike a sanction. The difference is that they refuse to strike during the life of an agreement. They do as the miners used to do—no contract, no work.

So this union idea has penetrated the entire teaching community. And, in effect, insofar as I can see, if you just forget about labels and semantic snobbery, in effect, you have more than 1¼ million teachers in the United States who are involved in collective bargaining through certified agencies.

LEVEY. Mr. Tyler, why are these people who traditionally shunned the unions—people like teachers, librarians, welfare workers, city doctors and architects, nurses and all that group of public employees—why are they, who have traditionally cast their lot not with the unions, but with the professionals—why are they joining unions?

TYLER. Well, let me take a simple case. Take the case of the little teacher who ran a school, and it was one class. She was teacher, mother, principal—in effect, the school system, and looked upon this as her property.

Time has now gone by. America has become urbanized. And at the top of the heap stands the school board. It is really the ultimate boss, in a sense, and is political—not involved with the teaching process.

Then you have the school managers—the managerial level of principals, superintendents and the rest. By the time you get down to the teacher, the teacher feels that he or she, today, is an employee.

You can no longer make the appeal—"but you are the school system." The teacher says, "No, I am not the school system." That's point number one.

Point number two. Our society has become remarkably affluent. The teacher looks around and says, "I have been sitting on my professionalism, surrendering money income and gathering psychic income—and here is this person around the school who is a maintenance man, who has not been gathering psychic income, but is making more money than I am—I had better look into this." And so the teacher says, "I think maybe the union does make a difference."

Now I use teachers only as an example. But actually, you can take the total society and extend that concept. People who looked upon themselves as part of the managerial group do not, at the present time. The white collar person who came into a plant where they ran many computers said, "Well, this is something new and I am somebody important." Now you go into one of these large buildings and there is no real difference between one of these women sitting there punching cards and running monotonously through some kind of process—there is no difference between that kind of white collar worker and one of the members of my union who is sitting at a sewing machine. They say, "I am a worker and I belong to a union." There is this problem of semantic snobbery, but it is gradually being broken down. There has been a great move to break down that semantic snobbery. The press has missed on this story, terribly. Since we have two very able reporters here, may I just turn loose on it.

There is a new organization—a council of the AFL–CIO, called "SPACE." Labor has now entered the "space age." SPACE stands for the Council of Scientific, Professional and Cultural Employees. This is, in effect, your new CIO, for the 1960's and 1970's.

LEVEY. I am glad you raised that point, Mr. Tyler, because that leads into the next question I want to ask you. And that is, are the existing labor organizations—the traditional unions—competent to deal with this revolution you are talking about, and what are they doing to fit themselves to deal with it? Incidentally, by the traditional labor organizations, I would mean the AFL–CIO as well.

TYLER. Mr. Levey, the answer is yes and no. Some of the unions have thus far already proven their competence, and far more, regrettably, than they are willing to admit. Let me take a typical blue collar union, the United Automobile Workers, AFL–CIO. At the 1962 convention of the UAW, a council of delegates got together and said, "We want to have a separate section of the United Automobile Workers known as 'TOP.'" "TOP" stands for Technical, Office and Professional Employees. There was some hesitancy about creating this new kind of highly professionalized and skilled craft council inside the UAW. But finally, it was granted. I became curious about it and discovered that when the charter was granted to this council, they counted—in 1962—50,000 members. Now, we think of UAW as blue collar. But there were at least 50,000—and they have grown since then—I don't know what the number is, but my guess is that some 75,000 members of the United Automobile Workers are not blue collar workers at all—they are technical, office and professional.

Take the International Brotherhood of Electrical Workers, AFL–CIO. They have affiliated with SPACE. Now, we think of electrical workers as electrical workers—somebody who is handling wires or digging holes in walls and the rest of it. Well, they have signed up with 25,000 of their members. And without pointing a finger at a fellow trade union, I would think they are cheating SPACE out of some dues, because they probably have three or four times that number of people who are technicians—highly skilled programmers of electrical machines, and mechanics on these machines, and designers and supervisors of these machines, and men who work for cities and counties—and office workers. But they are all in the Electrical Workers union. So, many, many of the unions have already organized these people.

But take the other unions that don't come out of the blue collar area. Take the Musicians—the American Federation of Musicians, AFL–CIO. Their membership has grown and it is growing constantly.

The American Federation of State, County and Municipal Employees, AFL–CIO. They are leaping ahead.

The American Federation of Government Employees, AFL–CIO. The last time I spoke to them, they were adding 5,000 members per month—AFGE.

And the American Federation of Teachers is another.

But you are quite right. I believe one of the reasons that we always find trade unionism lagging behind the appearance of some sizeable economic group in society, is that it is very, very difficult, normally, to organize any group in society from the outside. Mass organization, in the final analysis, has to develop its own leadership from the inside.

This was true of the AFL in 1900 and 1904. It was true of the CIO, which developed some two decades after the industrial worker was already a majority of the labor force in the United States. It's true of this new group. It takes time to develop an awareness of your own importance—of what you can accomplish through organization—and it takes time to develop your own leadership.

And, if it's true that the leadership has to come from within to be effective for mass organization, then one understands the inevitability of delay in organization. I do not believe that these new sectors like the nurses can be organized like automobile workers or by electricians. The nurses are going to organize the nurses. They have a Nurses Association—tens of thousands of members in the Nurses Association. And now the nurses have begun to move. At their last constitutional convention, they dropped the ban on strikes and picketing. The Wall Street Journal, if I may mention it, commented that "Florence Nightingale is now beginning to talk like Samuel Gompers."

ADAMS. Mr. Tyler, the thesis of your book, The Labor Revolution, as I understand it, is that the existing labor movement can carry on this revolution. But at the same time, you say really two other things: one, that there is a need for new leadership among labor;

and two, that the labor movement really doesn't yet have its own philosophy. Now I was curious on that point. You say that the critics have expressed a philosophy for labor, indeed, in denying that labor is achieving its proper goals, but the labor movement itself—does it not have a philosophy on which it can base its new program?

TYLER. The American trade unions really do not have a written philosophy. I tried to write a philosophy for the American trade unions in a little publication for the Fund for the Republic, but that is my philosophy. The American trade unions don't begin with a philosophy. The American trade unions begin the way most Americans begin. They are terribly pragmatic people—Americans are—and American trade unions are terribly pragmatic. That does not mean that they do not have a kind of philosophy.

Selig Perlman, who was a thinking man, a professor of economics at Wisconsin. I remember, some 15 years ago, becoming involved with him in this kind of a conversation and Selig Perlman said, "Gus, of course, American trade unions have a philosophy. The fact that nobody figured out the philosophy doesn't mean it isn't there." He said, "Now take a primitive people who speak a language. These primitive people know nothing about grammar, but that doesn't mean that their language does not have a grammar."

So you have to derive the philosophy of the American trade unions from the behavior of the American trade unions.

And fundamentally, the philosophy is Samuel Gomper's philosophy of "more," which is also the philosophy of the American people. We begin with an assumption that it must be dynamic in our lives—that tomorrow will be better than today—and you go about that pragmatically. You try to act as individuals in voluntary groups of a nongovernmental character. And subsequently you discover that a great deal can be accomplished through governmental action, so you enter into politics.

Now, in connection with that, you raise another point. That is the problem of changing trade union leadership. The leadership of the trade union movement will change. It has to change. First of all, life is not eternal. Secondly, the American trade union movement is changing in character. The leadership of the AFL–CIO in the year of 1967, is not the same as the leadership of the American Federation of Labor was in 1937.

But there was this difference between the relationship of the AFL–CIO to the coming labor movement and the relationship of the AFL to the CIO. The AFL leadership of the 1930's resisted the organization of workers into industrial unions. And they said if anybody begins to make a move in that direction we are going to block it. Finally there were suspensions and expulsions.

Now we have SPACE that is organized—this new council. And the AFL–CIO is not behaving as the old AFL did. It says, "Fine. If you organize, you are accepted, and we give you our blessing, and we give you aid—go ahead and add these new contingents."

Now, as these new contingents come in, it means that the whole mix inside the American labor movement will change, and as the mix changes at the bottom, the mix changes at the top, and you obviously change the personality of the organization, since it reflects a new constituency at the bottom.

There is a third factor that I feel one has to add, although I only touch on it lightly in the book. There is a generational change that is taking place in American society at the present time. I wasn't fully aware, when I wrote the book, of how great that generational change is, although I do speak about the growing youth contingent that is coming into the labor force and into the trade union movement. But the UAW recently told me of developments. Within the last three years, they lost 200,000 retirees. Within the same three years, they picked up 547,000 new members—42 percent of the members of the Auto Workers Union are only members for three years. When you look at that new membership, you will find a large contingent that is under the age of 21. Now this means that the trade unions are no more immune to the impact of this vast horde of youth moving into our society—than is the campus and American politics.

LEVEY. Mr. Tyler, what leader of American labor bespeaks this new revolution best? Is it George Meany? Is it Joe Beirne? Is it Walter Reuther? Is it Roy Siemiller? Who is it?

TYLER. You will find at the end of Chapter I, a very long and erudite paragraph, Mr. Levey, that I wrote on this particular subject in which I said the rather remarkable thing about American trade unionism is that at no point in its history was its philosophy really shaped by a person. There were individuals who came along and expressed ideas.

The American trade union movement is like a woman at a shopping counter who has remarkable and discreet taste. The American trade union movement listened to this leader, and this ism, and that ism, and the other leader, and picked, and chose—and finally came out with its own sort of eclectic philosophy. If you ask me who, at this moment, bespeaks the philosophy, not only of the past AFL and the CIO, which is the more current past—but also of the future, namely, when these new contingents come in—I do not know. If I knew I would have said in the book.

ADAMS. In your book, Mr. Tyler, you raise the point, I think, that labor's future, and the future of this revolution, lie in the political arena—that labor will become more and more deeply involved in politics. Do you mean they will do less collective bargaining—less of the traditional labor role?

TYLER. No. I have two distinct chapters, one, I think, is called the Resurgence of Collective Bargaining, in which I point up why trade unions will do even more collective bargaining. One of the reasons for this is the following: A, that the reorganization of the work process attendant upon the coming in of new methods of production, rescrambles the plans, and therefore, you have to rethink your contracts, almost from scratch.

Secondly, the movement of the public employee creates a whole new sector of collective bargaining and therefore, that is inevitable. But parallel with that, I see added political impact. And for these reasons, your public employee is terribly articulate. And your white collar person in the United States is more likely to vote than your blue collar person. This is traditionally so and will continue to be so. Therefore, the addition of this legion is an additional legion of active voters. The employer, for the public employee, is the government. Therefore, one of the great weapons of the public employee is not simply the union, but also the vote, because in that way he can pick the employer, by election, with whom he will then carry on his collective bargaining.

LEVEY. Mr. Tyler, is the American Negro going to buy the labor revolution, or is he going to regard labor as just another phase of the establishment?

TYLER. I think the American Negroes who are members of the American trade unions will unquestionably buy it. And from what I have seen of elections in the United States where Negroes are employees, they have been voting overwhelmingly for trade unions.

FLANNERY. Thank you, gentlemen. Today's Labor News Conference guest was Gus Tyler, assistant president of the International Ladies' Garment Workers Union, AFL–CIO, author of "The Labor Revolution," published by Viking Press. Representing the press were Alan Adams, Washington correspondent for Business Week magazine, and Stanley Levey, labor correspondent for the Scripps-Howard Newspapers. This is your moderator, Harry W. Flannery, inviting you to listen again next week. Labor News Conference is a public affairs production of the AFL–CIO, produced in cooperation with the Mutual Radio Network.

THE APPROPRIATIONS BUSINESS, 90TH CONGRESS, FIRST SESSION

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

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

There was no objection.

Mr. MAHON. Mr. Speaker, including the reported version of the agriculture bill scheduled for floor consideration in the House tomorrow, the House has considered at this session budget requests for appropriations of about $55,304,000,000 in connection with bills for both fiscal years 1967 and 1968. Including the agriculture bill as reported from committee, these requests for appropriations have been reduced by $1,750,000,000.

The $55.3 billion of requests represents about one-third of the total appropriations which it is now tentatively indicated will be submitted. It is of course subject to change as circumstances may demand, but it is now indicated that Congress will be asked to appropriate, at this session, largely for fiscal years 1967 and 1968, something on the order of $163,000,000,000, more or less, for administrative budget purposes, counting roughly $15.2 billion of so-called permanent appropriations such as interest on the debt that must be reckoned in the totals even though such appropriations do not come before us for a vote in the annual bills.

In other words, roughly $93 billion in requests are still pending in the Committee on Appropriations: $71,584,000,000 of that relates to the main defense bill scheduled to be taken up on the House floor next week; $4,867,000,000 pertains to the public works bill; $2,937,000,000 is involved in military construction projects. A total of $3,818,000,000 applies to the foreign assistance bill; $1,718,000,000 relates to the transportation appropriation bill. And perhaps 7 to 8 billions of dollars—it is too early to be too precise—would relate to the customary closing supplemental bill including NASA, the anti-poverty program, and several other items that have had to be deferred for lack of the necessary legislative authorizations.

The Senate has adopted four appropriation bills this year—the two supplementals for 1967 and two regular bills for 1968, involving $23.6 billions in requests for appropriations. They made net reductions of $195 million in those requests. The two bills for 1968 are awaiting conference action.

Mr. Speaker, thus far this session there has been no significant impact on the outgo side of the budget in actions on legislative authorization bills outside the appropriations process.

I include a supporting summary table on the appropriation bills of the session:

Summary of action on budget estimates of "appropriations" in appropriation bills, 90th Cong., 1st sess., as of June 5, 1967

[Does not include any "back door" type appropriations, or permanent appropriations [1] under previous legislation. Does include indefinite appropriations carried in annual appropriation bills]

	Budget estimates considered by House	Passed House	Budget estimates considered by Senate	Passed Senate	Enacted	(+) or (−), latest action compared to budget
Bills for fiscal 1968:						
Treasury-Post Office	$7,613,787,000	$7,499,230,000	$7,615,148,000	$7,555 167,000		−$59,981,000
District of Columbia:						
Federal payments	63,499,000	59,499,000				−4,000,000
Federal loan appropriation	49,600,000	48,100,000				−1,500,000
Interior	1,443,793,000	1,365,310,150	1,458,218,000	1,399,359,550		−58,858,450
Loan and contract authorizations	(30,700,000)	(16,200,000)	(30,700,000)	(16,200,000)		(−14,500,000)
Independent offices-HUD	[2] [3] 10,804,642,700	[2] [3] 10,013,178,782				−791,463,918
Contract authorization	(40,000,000)					(−40,000,000)
Labor-HEW	[3] 13,322,603,000	[3] 13,137,488,000				−185,115,000
State, Justice, Commerce, and Judiciary	[3] 2,342,942,000	[3] 2,194,026,500				−148,915,500
Legislative	231,311,132	228,089,952				−3,221,180
Agriculture	[3] 5,021,097,400	[3] [4] 4,770,580,950				[4] −250,516,450
Loan authorization	(859,600,000)	[4] (859,600,000)				
Defense	[5] (71,584,000,000)					
Public works	[5] (4,867,813,000)					
Military construction	[5] (2,937,000,000)					
Foreign assistance	[5] (3,818,736,000)					
Transportation	[5] (1,718,618,772)					
Supplemental (NASA, poverty, other deferred items; usual supplementals)	([6])					
Subtotal, 1968 bills	40,893,275,232	39,315,503,334	9,073,366,000	8,954,526,550		−1,503,571,498
Supplementals for fiscal 1967:						
Defense supplemental (Vietnam)	12,275,870,000	12,196,520,000	12,275,870,000	12,196,520,000	$12,196,520,000	−79,350,000
2d supplemental	2,134,932,833	2,041,826,133	2,257,604,652	2,260,246,933	2,197,931,417	−59,673,235
Subtotal, 1967 bills	14,410,802,833	14,238,346,133	14,533,474,652	14,456,766,933	14,394,451,417	−139,023,235
Cumulative "appropriation" totals for the session:						
House	55,304,078,065	53,553,849,467				−1,750,228,598
Senate			23,606,840,652	23,411,293,483		−195,547,169
Enacted			14,533,474,652		14,394,451,417	−139,023,235

[1] Permanent "appropriations" were tentatively estimated in January budget at about $15,212,066,000 for fiscal year 1968. (All forms of permanent "new obligational authority" for 1968 were tentatively estimated in the January budget at $17,452,899,000.)

[2] Includes advance funding for fiscal 1969 for urban renewal and mass transit grants (budget, $980,000,000; House bill, $925,000,000).

[3] And participation sales authorizations as follows: Independent offices-HUD, $3,235,000,000 in budget estimates and $881,000,000 in House bill; Labor-HEW, $115,000,000 in budget estimates and House bill; State, Justice, Commerce, and judiciary, $150,000,000 in budget estimates and House bill; Agriculture, $800,000,000 in budget estimates and House bill as reported. Total authorizations requested in budget, $4,300,000,000; total in House bills or in bills as reported, $1,946,000,000.

[4] As reported from committee.

[5] These are the amounts presently pending consideration in the committee.

[6] Several billions.

REMARKS ON H.R. 9682

Mr. REUSS. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] 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 Wisconsin?

There was no objection.

Mr. MULTER. Mr. Speaker, I support H.R. 9682 which would increase the maximum amounts which member banks may lend to their executive officers and which Federal credit unions may lend to their directors and members of their supervisors and credit committees.

I think it is particularly important that we take note here of amendments adopted in the Banking and Currency Committee—some of which I proposed—and which impose important restrictions.

H.R. 9682 as reported provides that any loan made under its provisions to a member bank officer must be accompanied by a detailed current financial statement to the bank which shall include any obligations for which the officer is personally liable—not only the officer's own obligations but obligations entered into by him as a comaker or guarantor. The same provision is contained in section 2 of H.R. 9682 which is applicable to officers or directors of Federal credit unions.

Similarly all loans to bank officers must be reported to the board of directors of the bank and each bank must include in its report of condition a statement of all loans made under the act.

If an executive officer of a bank borrows from other banks in an amount in excess of what he would be permitted to borrow from his own bank he must report this borrowing to his board of directors and if he has loans outstanding at his bank they shall be subject to call.

Similar safeguards in section 2 with respect to Federal credit unions requires that only 20 percent of credit unions' unimpaired capital and surplus can be outstanding at any one time in the form of loans to directors and members of the supervisory and credit committee despite the $5,000 limitation. It is the committee's position, as stated in the report and with which I fully concur, that it is the responsibility of the board of directors of each Federal credit union to make certain that a few officer-borrowers do not use for themselves the 20 percent permitted to all officers.

The committee considered, at my suggestion, that the bill be amended to protect the member bank or Federal credit unions from officer self-dealing when the possibility of liquidation of the financial institution arose. In lieu of any amendment the committee decided that proper supervision of the institutions by their respective regulatory agencies would be sufficient to prevent officers and committee members of Federal credit unions from profiting by advance knowledge of possible liquidation proceedings. We would like to make it crystal clear at this point that we expect the most careful and thorough supervision of such activities by the supervisory authorities.

The reporting procedures and other safeguards against self-dealing contained in H.R. 9682 will only be as effective as these agencies make them. If they do not do the job then we will have to write more specific prohibitions into the law.

I am pleased to join with my colleagues of the Committee on Banking and Currency in support of the committee amendment to H.R. 9682 which will give Federal credit unions the right to make deposits in mutual savings banks, provided the accounts of such institutions are insured by the Federal Deposit Insurance Corporation.

I must confess that I was rather surprised by the recent ruling of the Bureau of Federal Credit Unions requiring Federal credit unions to withdraw deposits which they might have in out-of-State mutual savings banks, even though such banks were federally insured.

The law permits Federal credit unions to make deposits in national banks, wherever located, and in savings and loan associations whose accounts are insured by the Federal Savings and Loan Insurance Corporation.

It was not intended that the law should exclude federally insured mutual savings banks as depositories for Federal credit unions. The purpose of the present amendment is to permit these credit unions to carry accounts in insured mutual savings banks.

The amendment is a simple one and I urge the House to adopt it. There can be no good reason for opposing it and it will eliminate an unintended discrimination in the law.

MR. OTTO CANDIES

Mr. REUSS. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. BOGGS] 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 Wisconsin?

There was no objection.

Mr. BOGGS. Mr. Speaker, one of the most enterprising and energetic businessmen in my district is Mr. Otto Candies of Des Allemands, St. Charles Parish, La.

In the past 30 years, Otto Candies has built a fledgling one-boat transport business in the bayous of St. Charles and Jefferson Parishes into a terrific $8 million a year transportation service, particularly for the oil companies operating in the Gulf of Mexico. One of the principal benefactors of this splendid transportation service by way of Candies' fleet of barges, inland tugs, and other boats is the Humble Oil & Refining Co. which gave Mr. Candies his first regular job to transport equipment and supplies for the company.

Through energy, enterprise, hard work, and intelligence, Otto Candies developed this transport service to the point that today he and his able sons direct the operations of a fleet of more than 100 boats. These vessels carry equipment and supplies from New Orleans and nearby communities to the many offshore oil rigs which lie many miles out in the Gulf. Mr. Candies' company is rendering an invaluable service to Humble and other oil companies in my State, and I am proud to salute him for the extensive contribution he is making to the economic growth and prosperity of south Louisiana.

Another significant factor about Mr. Candies' flourishing business is that it is an example, as the Humble company editors wrote in an enlightening article in the 1967 first quarter issue of the Humble Way, "of small businessmen with uncommon enterprise who have used their talents profitably to support some phase of the petroleum industry." This is the kind of quality which forged the United States into the great Nation it is today, and Otto Candies can be proud of the good works he has done, not only for his State, but for his country.

I am happy to commend to my fellow colleagues this article on Mr. Candies which was featured in the Humble Way, published by the Humble Oil & Refining Co. in Houston, Tex. The article follows:

OIL HELPS SMALL BUSINESS

No one thinks of Otto Candies as an oil man. Rather, he is considered a marine transportation specialist.

Yet, in many ways this soft-spoken native of the Louisiana bayou country is typical of thousands of small, independent U.S. business men who attained success because they had courage and foresight and were able to supply needed services to the oil industry in their town or area.

From his offices in Des Allemands, Louisiana, 30 miles west of New Orleans, Captain Candies oversees the operation of a fleet of more than 100 work boats. Some are leased but most are owned. His red and white vessels, as modern and powerful as any in the world, range the Gulf as far as Mexico. Most of the fleet, however, sails out of Grande Isle, Louisiana, supplying the offshore operations of Humble and other oil companies with marine power and transportation.

Candies managed vessels carry men and supplies—drilling equipment, pipe, mud, cable, and drill bits, and staples, food, water, and fuel—seaward in the wake of the Gulf's leap frogging oil production.

Powerful tugs with overlayed "O C" stack markings frequently move the towering mobile drilling rigs to Gulf locations. And other, smaller, red and white Candies vessels perform similar services for companies active in the continuing search for, and production of, crude oil and natural gas in the bayou backwaters of South Louisiana.

In all, the fleet operated by Captain Candies represents an investment of $7 million. He expects his firm to gross $8 million in 1966.

Thirty years ago, both Otto Candies and the sleepy fishing village of Des Allemands seemed to lack the necessary resources for such heady business success. The community had sprouted along the banks of one of Louisiana's interminable bayous. There was some agricultural activity in the area, sugar cane and corn, and most of the able-bodied men worked in the fields, when work was available, or hunted and fished for a living.

Like most local boys of 14 or 15, Otto Candies, after finishing the seven grades of schooling locally available, found his first job in the nearby cane and corn fields. After several years of such employment he married and established a household on the bayou, literally within a stone's throw of the family home. Up to this point he was much like every other bayou country youth: He spoke the sometimes awkwardly phrased but very expressive English common to South Louisiana; the farthest reaches of his world seemed to be the thick moss-draped oaks to the north and the cypress-dotted marshes to the south; and he demonstrated a consuming passion for duck hunting.

But close acquaintances of young Candies early detected personal traits which set him apart from his peers: an unerring sense of orderliness, and a flair for accepting challenges.

By the late 1930's, a number of companies began to search in earnest for oil in South Louisiana. This new activity, destined to bring lasting changes to the economy of the area and create undreamed of opportunities for a generation of farmers and fishermen, stirred an irresistible personal challenge in young Candies.

Learning that a small exploration company planned to drill a shallow wildcat well on the bayou, the enterprising youth took what he still looks back on as "a desperate chance." He arranged to transport men and supplies to the wellsite by boat. And, on the strength of a verbal contract, he managed to borrow $500—a significant feat of salesmanship, considering the times and his as yet unproven ability. Candies became a captain; he bought an aged, leak prone 30-foot boat powered by an engine salvaged from a wrecked automobile.

The boat operator's first job lasted less than a week. Captain Candies and his unimaginatively named "V–8" were laid off when drilling was completed.

"About then I heard that a contractor was digging a canal nearby that would serve as a 'road' to a wellsite picked by another oil company," Captain Candies recalls. He talked to the foreman on the job and agreed to keep the canal clear of water lilies until the oil company was ready to use it. But the contractor was cautious; he was willing to pay for performance only.

"So I told him, 'Don't pay me anything now. Come back when you're ready. If the canal's clear, I want my money; if it's not, you don't owe me a thing'.

"That's the way we left it. He came back 83 days later, looked at the canal, and wrote me out a check. Better yet, he recommended me to the oil company, Humble, and my boat and I were hired for $12.50 a day plus fuel, oil, and rope," Captain Candies says.

Following a long succession of assignments, by the early 1950's, Captain Candies was the owner-operator of a small fleet of inland tugs, crew boats and barges.

"My equipment was all paid for. I owned my home, and I was making a good living," he says. "But changes seemed to be in the wind because several companies were already drilling in the Gulf. I felt certain that there would be a big move to offshore operations and that my business was fast approaching a crossroads: I could stay smaller or I could gather the equipment I would need to operate out in the Gulf."

Two months of continuous discussions with his wife and his two older sons, all three of whom are parties to most major decisions, ended with an agreement to accept the new challenge. Captain Candies borrowed heavily against his holdings and sent the oldest son out in search of four big tugs for the firm, an investment of about $2 million. It was a big step for a businessman who had been refused a $2,000 loan not many years earlier. Moreover, it was yet another "desperate chance." None of the oil companies had announced plans to extend their operations out farther offshore.

The move proved to be well timed. When the new boats were delivered, there *was* work for them. A number of companies had moved offshore and the Des Allemands firm was almost alone in its ability to provide the equipment and service sorely needed by the industry.

Major offshore finds over the past decade brought on increased activity so that now more than 90 drilling rigs are in operation off Louisiana. As a whole, the oil industry is currently spending $1 million a day searching for and developing oil production in the area. And, during the past 15 years the industry has invested more than $5 billion in offshore Louisiana waters.

The Candies firm grew proportionately with this development. In marked contrast with the leaking "V–8," today's fleet is made up of steel vessels such as the 160-foot supply boat "Agnes Candies," and the "Ben Candies," a 132-foot sea-going tug, one of the most powerful vessels of its kind operating in the Gulf.

Captain Candies credits his 177 employees with making significant contributions to his continuing success. Most of them are natives of the area and share a common heritage with the captain. They all learned their basic seamanship piloting pirogues on the bayous. And once hired, few ever leave Candies. He is both an understanding and a demanding taskmaster. His boats must be perfectly maintained, ("If I go aboard and find a dirty galley or unmade bunks, it makes me *real* mad," he says,) and ready to work at a moment's notice. By contrast, the captain often makes personal loans to employees faced with an emergency.

The two Candies sons, Otto, Jr., 28, and Paul, 26, are gradually assuming management of the firm. The Captain, now in his mid–50s, is devoting increasing amounts of time to other interests: as a director of two banks (one of which, ironically, once turned him down on a $2,000 loan); as a member of the state highway commission, and the Mississippi River Bridge Authority. Captain Candies is also a trustee of Nicholls State College, at Thibodaux, and, along with his wife, is active in a host of church-related and civic pursuits.

While the degree of Captain Candies' success is unusual, it's far from unprecedented.

There are outstanding examples all across the country of small businessmen with uncommon enterprise who have used their talents profitably to support some phase of the petroleum industry.

The Arrow Transportation Company, in Portland, Oregon, for example, traces its origins back to the 1920's. Following a change in management in the mid-1940's, Arrow began to specialize as a transporter of petroleum products in the Pacific Northwest. Under the direction of James M. Cutler, Arrow has become one of the nation's largest operators of over-the-road petroleum transports. More than 100 units service customers out of Arrow terminals in Washington, Oregon, and Idaho.

On the broad plains of West Texas, George Bentley of Monahans, has built a thriving business with the aid of bulldozers and a handful of skilled employees. The Bentley firm prepares wellsites, clears land, digs disposal pits and grades roads for companies searching for oil.

Another example, the family firm, Buckley Powder Company, formerly of Silver Plume, Colorado, adjusted its pace to the times by re-tailoring its activities to serve the petroleum industry. J. D. Buckley and his sons once were the principal source of explosives for hard rock mining in the Rocky Mountains. Faced with a declining market, the firm began to stock and sell the especially compounded explosives and other materials needed by seismic crews working for petroleum companies. The firm later moved its headquarters to Denver to better serve its oilman customers.

It would be impossible to develop an all-inclusive list of such oilmen-once-removed, small business men who have found opportunity to expand established businesses by serving one or more oil companies. Nor is there any systematic way to count the other thousands who, under the happy influence of time, place, and circumstance, have found it possible to carve significant places for themselves in the business world by supplying needed equipment or services to the petroleum industry.

The Otto Candieses, the J. M. Cutlers, the J. D. Buckleys, and the George Bentleys are legion.

ARAB-ISRAEL CRISIS

Mr. REUSS. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MURPHY] 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 Wisconsin?

There was no objection.

Mr. MURPHY of New York. Mr. Speaker, when Secretary General Thant removed the United Nations Emergency Force—UNEF—from the Middle East 2 weeks ago, I predicted that the result of such action would be the beginning of a hot war. This morning that hot war began.

For 10 years the U.N. force had been, in Mr. Thant's own words, "an important factor in maintaining relative quiet in the area of its deployment." By occupying the sensitive Gaza/Sinai area it had established a buffer zone and had prevented armed conflict between Israel and Egypt.

The day after the U.N. force was removed, the Arab troops moved in to fill the vacuum. They began to take over the U.N. installations and guard posts on the Israel border. In less than a week Egypt had moved more than a division of troops into the area. Israel also moved troops into the area to protect her border. And now the war is raging.

This war threatens the peace of the entire world. It is being fought by nations armed with modern weapons capable of inflicting enormous destruction; its result will be catastrophic for the entire Middle East. Even more serious, it may eventually involve the entire world, for there are few nations not tied to the Middle East in some way. There is a very real danger of involvement of other powers in a much larger war.

For this reason, it must be stopped now by collective action on the part of all nations. All nations must realize their responsibility, and they must realize that there can be no neutrality when the only alternatives are war or peace. Failure to act will mean a larger and more destructive war, in which all nations will suffer.

The United Nations is the only existing means for such collective action. The very reason for its existence, as stated in its Charter, is "to maintain international peace and security—to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breeches of the peace.

Therefore, if the United Nations is to live up to its responsibility, it must return its peacekeeping forces to the Middle East. Failure to do so will not only further weaken its own effectiveness, but it may result in a wider and more violent conflict.

I urge all Members to join with me in calling for the return of the U.N. peacekeeping forces to the Middle East, and I urge all of the nations of the world to join together to secure peace in that area.

UNIVERSAL MILITARY TRAINING AND SERVICE ACT

Mr. REUSS. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. KORNEGAY] 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 Wisconsin?

There was no objection.

Mr. KORNEGAY. Mr. Speaker, on May 25, 1967, it was necessary for me to leave the floor of the House of Representatives in order to catch an oversea flight to undertake an assignment for the Committee on Interstate and Foreign Commerce.

For this reason, I was not present when the vote was recorded on S. 1432, which amends the Universal Military Training and Service Act. Had I been present, I would have answered "yea" to roll No. 108, which was taken on the passage of this legislation.

MAJ. ROBERT N. KATAYAMA PAYS TRIBUTE TO NATION'S FALLEN HEROES AT ARLINGTON NATIONAL CEMETERY CEREMONIES

Mr. REUSS. Mr. Speaker, I ask unanimous consent that the gentleman from Hawaii [Mr. MATSUNAGA] 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 Wisconsin?

There was no objection.

Mr. MATSUNAGA. Mr. Speaker, there has never been a time in our Nation's history when the proper observance of Memorial Day was more needed than Memorial Day 1967 where a grateful Nation could pause to express tribute to the brave men who have made the supreme sacrifice defending the freedom of our country.

On May 28, 1967, the Japanese-American Citizens League sponsored a very fitting ceremony in observance of this historic holiday at Arlington National Cemetery, and selected a distinguished young Army officer, Maj. Robert N. Katayama, to speak at the memorial services, which I had the honor to attend. Major Katayama is a highly decorated veteran of the 442d Infantry Combat Team of World War II fame. He wears the Bronze Star Medal, the Purple Heart Medal with an Oak Leaf Cluster, the Army Commendation Medal with an Oak Leaf Cluster, the Combat Infantry Badge, four campaign battle stars and the Presidential Unit Citation Ribbon with Oak Leaf Cluster. He presently serves in the Judge Advocate General's Corps at the Pentagon.

Major Katayama delivered a solemn and meaningful tribute to the valor and dedication of those young men who are called upon to serve their country, and a genuine understanding of and respect for our Nation's inspiring heritage of freedom—and of the serious concern for the individual responsibilities of free men—are reflected in his observation that—

> Although we pay tribute on this day as a Nation and share this occasion as a group, our rededication is also a personal matter. We—each of us—need to act—need to be committed . . . need to be involved . . . in the preservation of our heritage.

I listened to this stirring speech with a sense of deep appreciation for the spirit of responsibility and patriotism personified in this splendid young officer—who honored us as he paid honor to his fallen comrades—and I submit for insertion in the CONGRESSIONAL RECORD for the attention of my colleagues in the Congress the speech delivered by Maj. Robert N. Katayama, at 1967 Memorial Day ceremonies at Arlington National Cemetery:

SPEECH BY MAJ. ROBERT N. KATAYAMA AT MEMORIAL SERVICES HELD AT ARLINGTON NATIONAL CEMETERY UNDER SPONSORSHIP OF JAPANESE-AMERICAN CITIZENS LEAGUE, MAY 28, 1967

We gather here today in tribute to those who have made the supreme sacrifice in defense of our Nation. On Tuesday our flags will be flying at half staff throughout the forenoon hours to express our deep gratitude for the deeds of these brave men. In a short time we will place flowers on their graves. At this moment we speak words in their praise.

But, is this enough?

We cannot discharge our solemn obligation to these men with mere words or gestures. They did not die for words and flowers alone.

They died that we might be free men and

women today . . . that we might enjoy the fruits of freedom . . . that our Nation might endure.

And so it is fitting that on this Memorial Day observance that we should turn our thoughts to renewing our dedication to the cause of freedom.

Although we pay tribute on this day as a Nation and share this occasion as a group, our rededication is also a personal matter. We—each one of us—need to act . . . need to be committed . . . need to be involved . . . in the preservation of our heritage.

Today, the greatest U.S. fighting machine assembled since World War II is engaged in battle in Southeast Asia. There, men are also paying the highest possible price of freedom. In return, each one of us must pay the price of responsibility . . . individual responsibility.

Of the many individual responsibilities of free men, three stand out: First, defending our freedom from outside threats; second, helping to defend nations that are free; and third, defending our freedom from within.

Defense against an outside threat is basically provided by our Armed Forces. This is a form of insurance . . . insurance which provides for protection against any aggressor.

National defense, as with insurance, presumes a risk, a threat. The risk is there—the threat has never been greater. For the last twenty years, the United States and her Free World allies have faced one of the gravest challenges ever to face freedom—Communism. Today, in spite of nuclear-test ban treaties and increasing detente between East and West, that challenge remains grave.

Now, it is quite possible to agree with the need for national defense, but not to see it as an individual responsibility. After all, the days are gone when a man picked up his musket and went out to defend his home against the Indians or the British. The job of defense, you may say, is a responsibility of Government. Yet, national defense is an individual responsibility . . . for both the soldier and the civilian.

The soldier's role in national defense is direct. Money cannot be dedicated; equipment cannot be courageous. But the soldier can and does provide these qualities.

Although the soldier's contribution to national defense is more direct, the contribution of the individual citizen not in uniform is no less important. The individual citizen, of course, helps to pay for defense through taxes—as does the soldier—and, when necessary, has willingly served his country in uniform. But the citizen's responsibility must go far beyond this. For he must be both knowledgeable and interested in his country's defense.

In addition to defending our own freedom, we should respond to calls for assistance from other free nations. It is not only right, but necessary that we defend our allies in freedom, for as their freedom is diminished so is our own; as their peace is broken, so also is ours.

Our success in helping other nations maintain their freedom can only be proportionate to the degree of freedom that we as individuals and as a nation give our own citizens.

Thus, perhaps the responsibility that looms largest is defense of our own freedom at home, for as we painfully know freedom can be destroyed from within as well as from without. It is here that the individual is so important.

As individuals we must speak out "loud and clear" as we say in the military, in defense of our freedom or we could be silenced forever. It is not dissent or protest that could destroy our freedom. Rather, it is indifference which can do the greatest harm. If the majority of Americans are too apathetic, too timid to stand up and speak out for America—we could one day have little left to praise, or for that matter, little left to criticize. We could lose our freedom—the freedom that these men have died for—by mere default.

We have an inspiring heritage of freedom that has been shaped with the muscles and blood of the men who died defending it. They gave their lives that we might live. They denied themselves a future that we might have ours. They have given us the gift of freedom; and if we would keep that gift, we must use it wisely—defending it, cherishing it, and sharing it.

On Memorial Day 1967, then, let us as individuals remember that we each have a stake in the future of this country. So it is written in the Preamble to the Constitution which states:

"We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic tranquillity, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America."

"We the people . . ." established these ideals. And "We the people . . ." must carry on this work. Let us not forget our heritage for noble men have given their lives in its defense. Let it not be said that they have died in vain.

GEORGE STEVENS, JR., NAMED TO HEAD A NEW AMERICAN FILM INSTITUTE

Mr. REUSS. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. BRADEMAS] 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 Wisconsin?

There was no objection.

Mr. BRADEMAS. Mr. Speaker, I was pleased to be present today, June 5, 1967, in Washington, D.C., to hear an announcement by Roger L. Stevens, on behalf of the National Council on the Arts of which he is Chairman, that an American film institute has been established as a nonprofit, nongovernment corporation with administrative headquarters here in Washington.

At the same time, Gregory Peck, film actor and producer, who is acting chairman of the film institute board, announced that George Stevens, Jr., has been named director and chief executive officer of the institute which will be guided by a 22-member board of trustees.

Mr. Speaker, President Lyndon B. Johnson, in a letter to Roger Stevens, said of the film institute:

It is heartening that this new organization will be dedicated to stimulating progress and excellence in the film art. I think your organizational approach is a sound one—

Which will provide—

the necessary support as well as the essential freedom of action which a creative venture of this kind requires.

President Johnson also praised the selection of George Stevens, Jr., as the institute director.

In 5 years of public service—

Said the President—

George Stevens, Jr., gave a new vision and excellence to government filmmaking as director of the Motion Picture and Television Service at USIA. I am confident that he will provide distinguished leadership for this new venture.

Mr. Speaker, I am sure that many Members of Congress, both of the House and Senate, who know George Stevens, Jr., and his gifted and imaginative leadership in filmmaking at the USIA will share the President's view and will join in wishing Mr. Stevens well in this new position of both responsibility and opportunity.

Mr. Peck, a former member of the National Council on the Arts, said today that the institute will serve as a catalyst and point of focus for the many individuals and institutions dedicated to progress in the film arts. He added that the institute will concentrate essentially in five areas—filmmaker training, film education, film production, archival activities, and publications.

Mr. Speaker, the American Film Institute begins its operations with grants and commitments in hand totaling $3.9 million—$2.6 million made available by the National Endowment for the Arts and the Ford Foundation, and $1.3 million in commitments over a 3-year period from the member companies of the Motion Picture Association of America. The initial 3-year budget is $5.2 million, with the remaining funds to be raised by the board from private, foundation, and corporate sources.

STATEMENTS CONCERNING THE AMERICAN FILM INSTITUTE

Mr. Speaker, I insert at this point in the RECORD, a letter from President Johnson as well as statements made today by Roger L. Stevens, Gregory Peck, George Stevens, Jr., and McGeorge Bundy, president of the Ford Foundation. I also include certain background information concerning the American Film Institute:

LETTER FROM PRESIDENT LYNDON B. JOHNSON TO ROGER STEVENS

THE WHITE HOUSE,
Washington, May 24, 1967.

MR. ROGER STEVENS,
Chairman, National Council of the Arts, Washington, D.C.

DEAR ROGER: I am glad to learn that plans are now complete for the estbalishment of the American Film Institute.

The motion picture—whether it be projected in the theatre, the classroom, or on the livingroom television set—has the power to move the mind and spirit. Therefore, it is heartening that this new organization will be dedicated to stimulating progress and excellence in the film art.

I think your organizational approach is a sound one. Operating as a private nonprofit, nongovernmental corporation supported by funds from the National Endowment for the Arts, and private monies, the American Film Institute will have the necessary support as well as the essential freedom of action which a creative venture of this kind requires.

I also compliment your choice of a Director for the American Film Institute. In five years of public service, George Stevens, Jr. gave a new vision and excellence to government filmmaking as director of the Motion Picture and Television Service at USIA. I am confident that he will provide distinguished leadership for this new venture.

Sincerely yours,

LYNDON B. JOHNSON.

STATEMENT BY ROGER L. STEVENS, CHAIRMAN, NATIONAL COUNCIL ON THE ARTS, AT THE AMERICAN FILM INSTITUTE LUNCHEON, WASHINGTON, D.C., JUNE 5, 1967

We are very pleased to announce that today, in the largest single grant ever made by the National Council on the Arts, the American Film Institute has been formally established as a non-profit, non-government corporation with administrative headquarters in Washington, D.C. We now have a director, a 22 member Board of Trustees, and an estimated budget for the first three years of $5.2 million, $3.9 million of which is already in hand or committed to the operations of the Institute.

Most of you will remember that President Johnson, when he signed the bill at the White House on September 29, 1965, establishing the National Foundation on the Arts and the Humanities, announced our intention to establish such an organization. At that time, the President said:

"We will create an American Film Institute, bringing together leading artists of the film industry, outstanding educators, and young men and women who wish to pursue this 20th Century art form as their life's work."

When the Arts Council met in November of 1965, plans were made for a study leading to the establishment of this Institute, and $100,000 was set aside for this purpose. Early in 1966, the Stanford Research Institute was retained to assist the Council in defining the functions and programs of the proposed American Film Institute. That study has been completed and will be formally presented to the American Film Institute Board at their next meeting.

In the fall of 1966, we appointed a Film Advisory Council to assist us with final plans for the Institute. Mr. Gregory Peck, whose term as a member of the National Council on the Arts expired in September of 1966, agreed to serve as chairman of this advisory group.

During all of this time, we were attempting to raise the large sums of money required to establish such an ambitious national Institute. It was determined that the minimum initial three-year budget would have to be over $5 million. Approximately half of that sum, $2.6 million, is now being granted to the Institute by funds made available from the National Endowment for the Arts and the Ford Foundation. An additional $1.3 million has been committed to the American Film Institute, without condition or restriction, by the seven major member companies of the Motion Picture Association of American whose President, Jack Valenti, is here with us today, and without whose efforts this grant would not have been possible.

The remaining funds are still to be raised by the American Film Institute Board of Trustees from private, foundation and corporate sources. And I might add that the Institute will have to begin almost immediately its campaign to acquire funds for its future operations. The National Council on the Arts hopes to be able to provide additional financial assistance to the Film Institute in coming years, but if this is to be a truly national effort, then we must achieve full support from the private sector as well.

The American Film community has been anticipating this day for many years. We hope this Institute will become the world leader in its field, as it certainly should. The United States has the talent and the skills and the technical expertise to bring about a great new era of filmmaking in this nation, and we believe the American Film Institute will make a significant contribution to this potential creative revolution in the art of the film.

Finally, we should pay tribute to all those people whose efforts over the past few years have made this day possible, especially those members of the Arts Council who worked so closely with the project, the Film Advisory Council, and many others from the film community who volunteered their time and services most generously.

At this time, I am pleased to announce the following appointments to the Board of Trustees of the American Film Institute:

AMERICAN FILM INSTITUTE BOARD OF TRUSTEES

Miss Elizabeth Ashley, Actress.

Charles Benton, Educational Film Producer.

Francis Ford Coppola, Screen Writer-Director.

Sherrill Corwin, President, National Association of Theatre Owners.

Rev. John Culkin, S.J., Director, Center for Communications, Fordham University.

Bruce Herschensohn, Documentary Filmmaker.

Francis Keppel, Chairman of the Board, General Learning Corporation and former U.S. Commissioner of Education (Mr. Keppel will join the AFI Board in January, 1968).

Arthur Knight, Film Critic-Historian-Teacher.

Richard Leacock, Filmmaker.

Donald H. McGannon, President, Westinghouse Broadcasting Company.

David Mallery, Director of Studies, National Association of Independent Schools.

Gregory Peck, Actor-Producer (Acting Chairman).

William L. Pereira, Architect, Member, National Council on the Arts.

Arnold Picker, Executive Vice President, United Artists Corporation.

Sidney Poitier, Actor, Member, National Council on the Arts.

Arthur Schlesinger, Jr., Historian.

George Seaton, Director-Producer-Writer.

Dan Taradash, Screen Writer.

Jack Valenti, President, Motion Picture Association of America.

Richard F. Walsh, President, International Alliance of Theatrical Stage Employees.

Fred Zinneman, Film Director-Producer.

George Stevens, Jr., Director and Chief Executive Officer, American Film Institute (ex officio).

Before turning the conference over to the Acting Chairman of the Institute Board, Gregory Peck, I would like to pay him a special tribute on behalf of the National Council on the Arts. Greg has devoted most of the past year and a half to this effort, traveling all over the country, meeting with with groups and individuals, no matter where they might have been located, seeking their advice and counsel on the establishment of this Institute. He has become a familiar figure around our offices, and he will be greatly missed when he resumes his full-time filmmaking career later this month. I, personally, have known few men in my life for whom I have higher respect and admiration.

It is my pleasure to introduce Mr. Gregory Peck.

STATEMENT BY GREGORY PECK, ACTING CHAIRMAN, BOARD OF TRUSTEES, AMERICAN FILM INSTITUTE

Responsive to the President's directive to create an American Film Institute, the following purposes and objectives applicable to the concept of an American Film Institute were derived from Congressional legislation enacted in 1964 and 1965 to provide greater recognition of the arts in the national interest:

(1) To recognize, assist, encourage and promote elements of progress and scholarship in film arts and humanities.

(2) To encourage and support the growth of creative activities and creative talent in film in a climate of freedom of thought, inquiry, imagination and individual initiative.

(3) To mantain, develop, disseminate and coordinate the nation's artistic and cultural resources in film.

(4) To foster and support film, film scholarship and teacher training for film study in general education.

(5) To encourage and promote greater public understanding, appreciation and enjoyment of film.

(6) To encourage and promote increased opportunities in film and to provide or support productions and projects that will assist and encourage film artists to achieve, demonstrate and maintain high standards of professional excellence.

(7) To facilitate the exchange of information and to support the publication of scholarly works pertaining to the history, theory and practice of film art.

(8) To initiate and support research in the history, criticism, theory and practice of film art and to provide or support other relevant projects including surveys, research and planning in film.

(9) To award fellowships and grants for training and workshops in the history, criticism, theory and practice of film.

During the early weeks of our research efforts, late in 1965, a committee of members of the National Council on the Arts, under the direction of Roger Stevens, was given the responsibility of taking the initial steps in carrying out the President's directive. The committee members began to gather information, to conduct interviews and to familiarize themselves with the views of professional film critics and scholars on the subject of an American Film Institute, what it ought to be and ought not to be, as expressed in their writings.

Films from the universities, "underground" films, experimental and educational films were viewed. Archives were inspected. Our purpose was explained to the labor guilds, to the university cinema departments, to film creators, technicians and administrators in the theatrical and non-theatrical field.

Early in 1966 it became apparent that we were only scratching the surface and that we would require the services of a professional research organization staffed with trained personnel capable of assembling a comprehensive body of information from many sources in this country and abroad.

We wanted everyone to be heard, or at least advocates of every point of view ranging from the purveyors of mass entertainment to the youngest and newest advocates of the film revolution. We wanted to understand the needs of young people interested in experiment with content and form, of archivists, and scholars and historians of film.

We also wanted the thinking of writers and directors of theatrical films who shared our concern with excessive commercialism, which, except for a handful of theatrical films each year, and some examples of the fresh and innovative in the non-theatrical field, has become so unfortunately identified with the American film.

THE STANFORD REPORT

Accordingly we recommended to the National Council on the Arts a grant to the Stanford Research Institute. A $91,000 grant was approved and the work began in February of 1966. An advisory council of 16 members was appointed to provide the SRI a resource list of individuals and organizations to meet periodically with the Stanford research group, to evaluate the findings and to advise on the organization and funding of the Institute.

The Stanford report has been completed. It is essentially a summary based on an extensive background of investigation. The project working files which supplement the report are considered to be an integral part of the formal results of the study. In the files are copies of interviews conducted with over 100 individuals with the broadest possible range of interest in film. Studies were made of teaching methods and various kinds of film activity in eight American univer-

sities. The archival holding, the functions, the programming of film showings at the Museum of Modern Art, Eastman House in Rochester, and the Library of Congress were reported in detail.

Foreign film institutions, 18 in all, were visited by consultants. Among them were the British Film Institute, the Centro Sperimentale in Rome, the Cinematheque Francaise, Czechoslovakian Film Institute, the Swedish Film Institute, the Polish State Academy for Theatre and Film, the Danish Film Foundation, and the Cinematheque Royale de Belgique.

A typical report on these foreign institutions includes details on administration, financing, physical facilities, film library, professional training curricula, film history and film aesthetics. Finally a qualitative judgment was submitted. All of this material is ready to be turned over to the newly formed Institute. We believe this to be the most comprehensive study ever undertaken in the field.

The report and the files were not intended for publication, nor is the report intended to be a blue print for the establishment of an American Film Institute. As source material we believe that it will serve as an invaluable guide to the Director and the Board of Trustees. The report and the files, in whole or in part, will be made available to students, teachers, historians, journalists and others, following its acceptance by the full Board of Trustees after its first meeting in July.

PROGRAMS TO BE CONSIDERED

At this meeting a Chairman will be elected and an Executive Committee will be appointed. The Board will consider a priority list of action programs to be undertaken during the first three years of the Institute's existence. Among those programs to be considered by the Board are the following:

(1) A series of fellowships, enabling graduates of film schools, as well as other qualified young filmmakers, to become closely associated with accomplished directors throughout the making of a film—from the conceptual stage to the final editing. Fellowships and scholarships for foreign study, for thesis films and for research study and publication will also be considered.

(2) Commissioning of textbooks. There is a need for comprehensive, imaginative and intelligently written textbooks and guides in the field of professional training. Leading filmmakers in the theatrical and non-theatrical field will be asked to contribute to a detailed formulation of cinematic principles and techniques.

(3) There is a need for a national catalogue of all existing film resources in this country. This would be a major program involving the location and identification of important collections of film and related materials. Inspection of much of this film will be necessary. Valuable film in a state of deterioration, or in danger of deterioration, must be restored. The Institute does not plan to establish its own film archives. Rather it expects to coordinate available holdings and to support the leaders in this field—the Museum of Modern Art, the Library of Congress, Eastman House, the Academy of Motion Picture Arts and Sciences and others.

(4) Establishment of a system of film libraries or cinematheques. The objective will be greatly increased by the availability of historic and classic films for training and education. The Institute recognizes the urgency of this need as expressed in many quarters by scholars, students, historians and practicing professionals.

(5) Establishment of one or more Advanced Study Centers to enlarge the opportunities for young filmmakers to master their craft. It should be noted that the Ford Foundation, in joining in this effort with the National Endowment for the Arts and the Motion Picture Association of America, has expressed its strong interest in the prospect of an advanced conservatory program. W. McNeil Lowry, a Vice President of the Ford Foundation, said today: "Our activities in the creative and performing arts have emphasized both the provision of opportunities for development of artists and artistic directors and outlets for their careers. The American Film Institute under the leadership announced today has a chance to make a major contribution to professional training in the art of film."

Film education and pre-professional training for filmmakers will continue to be carried out by colleges and universities. To bridge the gap between the academic and professional realms, the AFI would include at least one Advanced Study Center to offer specalized training and experience in all types of films. The Advanced Study Center would provide facilities and staff for intensive professional training courses, exercises in filmmaking under professional conditions and tutelage, and initial creative ventures by new filmmakers.

(6) New filmmakers production program. Plans will be submitted to the Board for development. At this stage it can be said that the Institute expects to engage in the production of documentary films, experimental short films and feature films. An unprecedented method of financing is under discussion for producting films free of conventional commercial restrictions but in an atmosphere of professional and artistic discipline.

WASHINGTON, D.C., TO BE SITE OF NATIONAL HEADQUARTERS

Washington, D.C. will be the site of the national headquarters for central administration, fiscal planning, research, educational and international liaison. It is intended that services and programs in professional training, new filmmakers production, archival and film library services will eventually be established in Los Angeles, New York and other American cities.

We are proud of the Board of Trustees which has been brought together to govern the Institute. We are grateful to these accomplished people for agreeing to serve, for lending their talents, their time and their judgment to the work of the Institute. I feel that I may speak for all of the Trustees today, and simply say—"We intend to carry out the President's directive and we regard the creation of the American Fim Institute as a public trust."

We are grateful to Roger Stevens, a theatre man who has fathered a film institute.

We acknowledge and are appreciative of the significant grant from the Ford Foundation, and we pay tribute to the Motion Picture Association of America. Under the leadership of its talented and vigorous President, Jack Valenti, the Association's member companies have committed $1.3 million over a three year period to development of the Institute and the launching of its initial action programs.

Finally, we wish to announce the appointment of George Stevens, Jr., as the Director, the Chief Executive Officer of the American Film Institute.

By attracting to the USIA productions a mixture of previously unknown young filmmaking talents and recognized leaders in the documentary field, George Stevens, Jr., created a climate for a new forward movement in the American documentary tradition.

Edward R. Murrow said that "the stamp of Stevens' creative imagination and vigor has revolutionized the character and quality of motion pictures produced by the USIA."

The Trustees of the AFI are confident that the same qualities of youth, vigor and creative imagination will characterize the leadership Mr. Stevens will bring to the AFI, and indeed will characterize the Institute itself.

In a letter to Roger Stevens, President Johnson had this to say about George Stevens, Jr., as the Director of the Institute: "In five years of public service, George Stevens, Jr., gave a new vision and excellence to government filmmaking as Director of the Motion Picture and Television Service at the USIA. I am confident that he will provide distinguished leadership for this new venture."

Ladies and Gentlemen, Mr. George Stevens, Jr.

REMARKS OF GEORGE STEVENS, JR., ON HIS APPOINTMENT AS DIRECTOR OF THE AMERICAN FILM INSTITUTE

I am honored and grateful for the opportunity and the challenge of undertaking this venture.

Asked why I chose to get involved in this kind of enterprise, the best answer I could supply was—"because it isn't there."

You have heard it said that the projected image is central to American lives today. And there are those who can supply the figures. A high school graduate in the United States has seen 500 films and 15,000 hours of television. This compares with the 10,800 hours he has spent in the classroom. No doubt this is why Marshall McCluhan describes school as—just an interruption of a child's education.

There is little question that today this "projected image" is central to the quality of American life, or lack of it. At the heart of the American Film Institute's purpose is a concern for the substance and style of those thousands of hours which are devoted to the witness of moving images.

It is becoming more difficult to be casual about the training of the men and women who will create those combinations of sight and sound which will preoccupy children more than schools and adults far more than books. Neither can we continue to be casual about giving the young, who will form tomorrows audiences, an opportunity to develop appreciation and taste for what is good in cinema, as we do in painting, literature and music.

And central to the education of filmmakers and film audiences is access to the great works, most of which are presently unavailable to teachers and students, and much of which—America's precious film heritage—is slowly turning to dust in vaults and cupboards across the country. We will address ourselves to overcoming the problems which make these works unavailable.

And, let's face it, the art of motion picture in America has seen better times. The American Film Institute will be concerned with assuring the continuity of the proud tradition of the films which was born in this country in this century.

And I have no doubt that more access to training and a greater opportunity to experiment will confirm what we all know—that the United States has the human and economic resources to provide world leadership in the art of filmmaking.

I would like the American Film Institute to be a harbor for many points of view, and a rallying point for people with new ideas and the energy and determination to see them achieved. And, I would like this corporation to be a source of hope—sorely needed hope which can inspire young people to pursue this incredibly difficult art knowing that there is someplace where the name of the game is taking chances, and there is one place where the balance sheet is read in terms of art, not commerce, by a board of directors whose accomplishment will be measured in terms of progress, not profits.

So, we begin today with a signal of hope to those who would join us in our purpose. And it is our own hope that when it grows up, America's Film Institute will be, as it should be, the best in the world.

BIOGRAPHY OF GEORGE STEVENS, JR.

George Stevens, Jr. was born in Los Angeles, California on April 3, 1932. He graduated from Harvard School in North Hollywood in 1949 and received a Bachelor of Arts Degree from Occidental College in 1953. In 1954 Mr. Stevens was assigned to active duty as an officer in the United States Air Force. He left the service in 1956 as a First Lieutenant.

Mr. Stevens began his career in films during college as an assistant to his father, George Stevens, on "A Place in the Sun" and "Shane". Following service in the military he worked as an assistant to Jack Webb who gave him his first directing opportunity in 1957. During the next few years Mr. Stevens directed a number of television shows including *Alfred Hitchcock Presents* and *Peter Gunn*.

In 1958 he worked at Twentieth Century-Fox as Associate Producer of "The Diary of Anne Frank" and also directed the location segments of that film.

In 1962 the late Edward R. Murrow selected Mr. Stevens to head the motion picture division of the United States Information Agency. He served in this position (which in 1965 was reorganized to include USIA's television operations) until 1967.

In this job he was responsible for USIA's worldwide film program which included annual production of some 300 documentary motion pictures and 105 hours of television programing for distribution in 106 foreign countries. Murrow cited Mr. Stevens for having "revolutionized the character and quality of motion pictures produced by USIA." Many young filmmakers were attracted to the Agency's activities and USIA's filmmaking was widely credited with a new excellence and effectiveness.

Mr. Stevens' office served as the government's point of contact for international film activities. He also served as Chairman of the United States delegations to the 1963 and 1965 Moscow Film Festivals.

In 1965 he married Elizabeth Guest Condon. They have two children—her daughter Caroline aged 8, and their son Michael Murrow Stevens, six months.

ORGANIZATIONS

Directors Guild of America, Inc.

Academy of Motion Picture Arts and Sciences.

Board of Governors of Film Industry Workshops, Inc.

Society of Cinematologists.

National Student Association Student Film Advisory Board.

Program Committee—John F. Kennedy Center for Performing Arts.

Vice Chairman—Friends of the Kennedy Center.

Federal City Club, Washington, D.C.

HONORS

Selected as One of the Ten Outstanding Young Men in the United States by National Junior Chamber of Commerce—1964.

Arthur S. Flemming Award as One of the Ten Outstanding Young Men in the Federal Government—1963.

AWARDS TO USIA FILMS

1964: Academy Award for Best Documentary *Nine From Little Rock* (director, Charles Guggenheim).

1966: IFIDA Award Best Documentary Feature *John F. Kennedy: Years of Lightning, Day of Drums* (director, Bruce Herschensohn).

1966: One of the Ten Best Films of the Year—National Board of Review *John F. Kennedy: Years of Lightning, Day of Drums.*

1963: Academy Award Nomination Best Documentary *The Five Cities of June* (director, Bruce Herschensohn).

1966: Academy Award Nomination Best Documentary *Cowboy* (directors, Michael Ahnemann, Gary Schlosser).

1964: First Prize Documentary Festival Bilbao, Spain *The March* (director, James Blue).

1966: First Prize Cannes Youth Festival *The March.*

1966: First Prize Netherlands Film Festival *The March.*

1963: First Prize for Human Relations Venice Documentary Festival *The School at Rincon Santo* (director, James Blue).

1963: Lion of St. Mark Venice Documentary Festival *Letter from Colombia* (director, James Blue).

1966: Second Prize Berlin Agricultural Festival *Beyond This Winter's Wheat* (director, Carroll Ballard).

1965: First Prize American Film Festival *Night of the Dragon* (director, Richard Heffron).

1965: Grand Prize Paris Festival of Architecture *Architecture USA* (director, Tibor Hirsch).

1966: Special Jury Award Mannheim Festival *Destination Man* (director, Morton Heilig).

1966: Golden Gate Award San Francisco Festival *Nine From Little Rock.*

STATEMENT BY MCGEORGE BUNDY, PRESIDENT, THE FORD FOUNDATION, UPON ANNOUNCEMENT OF THE FORMATION OF THE AMERICAN FILM INSTITUTE

The Ford Foundation is glad to make the support of the American Film Institute a part of its extensive activities in the creative and performing arts. In other countries national film institutes are generally agencies of government. In the United States it is fitting that such an institute is launched with the support of both public and private funds—foundation, corporate, and individual. It is also fitting that the American Film Institute is a private, non-profit corporation even though relying in such significant part on government funds. The Ford Foundation is confident that the leadership of Mr. Peck and his group and of Mr. Stevens will make the American Film Institute of real significance in the continuing development of film as an art.

BACKGROUND ON THE AMERICAN FILM INSTITUTE

At the time of the signing (September 29) of the National Foundation on the Arts and the Humanities Act of 1965, President Johnson said: "We will create an American Film Institute, bringing together leading artists of the film industry, outstanding educators, and young men and women who wish to pursue this 20th Century art form as their life's work."

The National Council on the Arts retained Stanford Research Institute (SRI) to assist in defining the functions of the proposed Institute. Approximately 100 organizations and individuals with a wide variety of knowledge of film production, education and archives were interviewed in the United States by SRI. Surveys were made of film activities at 11 American universities and SRI consultants visited 18 foreign film institutions.

The National Council on the Arts appointed a film Advisory Council of 16 members with Gregory Peck as Chairman to assist in evaluating the SRI findings and to advise on the funding and final plans for establishment of the American Film Institute.

ORGANIZATION

The American Film Institute has been established as a non-profit, non-government corporation with administrative headquarters in Washington, D.C. Created to serve the public interest, it will derive its resources from both private and public funds. It will be governed by a Board of Trustees of 22 members including a Director appointed by the Board.

PURPOSE

The purpose of the Institute will be to stimulate and encourage progress in the film art.

The creation of the American Film Institute is based on the awareness that film in all its forms is central to American life today, and that there is a clear and pressing need for encouragement, assistance and leadership in many facets of this nation's pursuit of excellence in film. The founders of the American Film Institute have considered the motion picture in the broadest sense of that term—the moving image and its associated sound, whether it is projected in a theatre, classroom, museum or transmitted electronically on television.

The American Film Institute intends to serve as a catalyst and point of focus and coordination for the many institutions and individuals who are anxious to share its purpose.

PROGRAM

Initial funding will permit the American Film Institute to chart its path and take the first necessary steps. The Institute will be able to support only a few, and those only in part, of the many worthwhile and urgent needs which came to the attention of the Film Advisory Council during their extensive investigations. The Institute will concentrate essentially in the following areas of endeavor:

(1) Filmmaker training
(2) Film education
(3) Film production
(4) Preservation and cataloging of films
(5) Publications

(1) The training of filmmakers will focus on the establishment of one or more Centers of Advanced Film Study. The Center is intended to bridge the gap between scholarship and practice. It will appeal primarily to the college or university graduate who has excelled in filmmaking study, but has not found a ready avenue into the type of filmmaking he wishes to pursue as a career.

At the same time, the American Film Institute will act as an ally and supporting arm for existing filmmaker training activities. The Advisory Council concluded that diversity is of prime importance, and the continued development of independent and varied film schools at universities throughout the country is considered essential, since only in this way will prospective film students be offered the widest choice.

Detailed plans for the first Center for Advanced Film Studies will be developed by the Institute staff.

(2) Film Education refers to the study, on the part of students and teachers, of film as an art form, with its own aesthetics, history and techniques. The American Film Institute will explore ways in which it will be able to assist the development and improvement of this activity throughout the United States.

(3) Production. Emphasis of the Institute's production will be on the development of new American filmmakers. This will include documentary production, experimental short films and projects undertaken at the Advanced Study Centers. The Institute also expects to engage in feature production with the emphasis on films by filmmakers of ability who have not found an opportunity to make feature films within the existing commercial and financial structure.

(4) Preservation and cataloguing of films is a task which lies at the heart of the Film Institute's purpose. It is as important to conserve as to create, and the founders wish emphatically to bring attention, as others have before, to the necessity of preserving this Nation's film heritage. This is a complex task and the American Film Institute expects to serve as a focal point for coordination and leadership, and will work with several organizations which are already involved in the field and will seek the cooperation of America's eminent archivists. The American Film Institute does not expect to create its own archives; rather, it will be prepared to coordinate and stimulate the activities of regional and private institutions.

The work in this area will have a most important bearing on Filmmaker Training and Film Education, both of which depend upon the study of great works of the past for the learning process.

(5) In concert with the four major categories listed above, the American Film Institute will be prepared to undertake related research and publication activities.

FUNDING

The American Film Institute is being funded by public and private monies. It will operate on an initial three-year budget of $5.2 million. Three-quarters of that amount ($3.9 million) is already in hand or committed to the Institute. The remaining funds are to be raised by the Board from private, foundation and corporate sources.

$2.6 million is being made available to the Institute by the National Endowment for the Arts and the Ford Foundation.

STATEMENT BY W. MCNEIL LOWRY, OF THE FORD FOUNDATION

The Ford Foundation, joining in this effort with the National Endowment, is providing $1.3 million to the American Film Institute as partial support of tis operations over a three-year period. The Ford Foundation's funds will help support the training activities of the Institute and thus enlarge the opportunities of potentially talented young filmmakers to master their craft.

"Since its first activity in the art of the film represented by awards to young filmmakers in 1964, the Ford Foundation has been interested in the prospect of an advanced conservatory training program," W. McNeil Lowry, a vice president of the Ford Foundation, said stoday. "Our activities in the creative and performing arts have emphasized both the provision of opportunities for development of artists and artistic directors and outlets for their careers. The American Film Institute under the leadership announced today has a chance to make a major contribution to professional training in the art of film."

An additional $1.3 million has been committed to the Institute by the seven member companies of the Motion Picture Association of America (Columbia, Metro-Goldwyn-Mayer, Paramount, Twentieth Century Fox, United Artists, Universal and Warner Bros.).

STATEMENT OF JACK VALENTI

Jack Valenti, President of the Association, issued the following statement on behalf of the MPAA:

"The member companies of the Association believe it is in the urgent long range interest of the motion picture for the Institute to be born. It is important to encourage and train talented young filmmakers, upgrade and aid the educational work in film being carried out by American colleges and universities, and to focus attention on important film archival work. The endurance of excellence in motion pictures will be the prime objective of the American Film Institute. In this aim, the entire motion picture industry is eager to join."

WELCOME POSTAL SUPERVISORS

Mr. REUSS. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. PEPPER] 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 Wisconsin?

There was no objection.

Mr. PEPPER. Mr. Speaker, the burdens and responsibilities placed upon public servants and especially the postal supervisor, have increased enormously in recent years, and with them, the need to revest the classification system and salary scale.

I am, therefore, pleased and honored to welcome the postal supervisors from many of the States who are convening here in Washington this week. They, of course, are here to press for more adequate legislation in the postal field service. I am in complete accord with the objectives encompassed in both H.R. 3383 and H.R. 4531. I have introduced a similar bill, H.R. 6992, in recognition of that need. It includes a redefinition of positions in various salary levels including functions, duties, and responsibilities, and organizational relationships, as well as a revision of basic compensation for positions in the postal field service, rural carrier, and fourth-class office schedules. Provision is also made for the determination of the basic compensation of each employee subject to the above schedules as of the date of enactment of the legislation.

The postal service performs a vital function, and this legislation recognizes the need to update classifications and salaries to fit new conditions and to reward postal employees for their faithful service.

Mr. Speaker, I, therefore, welcome my friends and wish them well in their objective for more adequate legislation. I also urge my colleagues on the House Post Office and Civil Service Committee to enact this needed legislation at an early date.

WATER DISTRIBUTION PROBLEM IN NORTH JERSEY

Mr. REUSS. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. RODINO] 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 Wisconsin?

There was no objection.

Mr. RODINO. Mr. Speaker, I was delighted to note that last week 3 months of negotiations to resolve the problem of distribution of water to 11 north Jersey communities was successfully concluded. This was an exhaustive and complex task, and it is a genuine tribute to the capability and dedication of the participants that a solution was found. A fine editorial in the Nutley Sun of June 1, 1967, discusses the role of New Jersey's outstanding commissioner of conservation and economic development, Robert A. Roe, and I place the editorial in the RECORD following these remarks. I was pleased that it also notes the fine and effective effort of Newark's corporation counsel, Normal Schiff. The successful resolution of this difficult problem is an excellent example of how conflicting interests can be brought into harmony when there is knowledge, perseverance, and a genuine desire to seek a solution.

The editorial follows:

BOB ROE—A-1 NEGOTIATOR

For the past three months Commissioner Robert Roe, chief of New Jersey's Department of Conservation and Economic Development, has been engaged in an endless effort to negotiate differences between eleven New Jersey communities and the North Jersey District Water Supply Commission. The dispute arose over the Water Commission's proposed construction of a 32-mile pipe line necessary to deliver water to northern Jersey from the Hunterdon County-based Round Valley-Spruce Run reservoirs. The chief objector to the Water Commission's project was the City of Newark, whose city-wide water distribution system must be utilized in order to distribute the water to suburban Essex County communities, once it was brought to Newark's southwest boundaries.

There were problems all over the lot. Virtually all of the seven Essex communities had different conflicts with Newark. Elizabeth and Bayonne had their ideas as to how water should be delivered to their communities. The Water Commission, working under legislative edict, was unable to argue Newark out of its objections. As a result, legal action was instituted by the Water Commission against Newark.

Fearing that a legal dispute would unnecessarily prolong the construction of a vitally needed public project, Governor Richard J. Hughes requested the New Jersey Water Resources Council (the state agency empowered to allocate water supplies) to hold public hearings so that the underlying facts of the dispute would be placed on the public record, and from such an airing a negotiated settlement might result.

Under the able leadership of its chairman, Mrs. Lillian Schwartz, the Water Resources Council opened public hearings three months ago. Participating in the hearings as co-chairman, was Commissioner Robert Roe. As a result of the joint efforts of Mrs. Schwartz and Bob Roe, the parties of interest conferred day after day with some sessions terminating at 3 o'clock in the morning.

At times almost everyone associated with the negotiating endeavor hopelessly looked to the inevitable court clash. Largely due to the adroit and skillful negotiating talent of Bob Roe, the pieces fell into place.

Last week Governor Hughes put the final touch to a happy ending by assuring the Water Commission and the eleven communities involved that the State of New Jersey will guarantee the $260,000 engineering cost of a feasibility study currently under way.

In reviewing the history of the foregoing negotiations it is only fair to place on the public record the substantial contributions of the attorneys involved. In its corner the City of Newark had Norman Schiff, one of New Jersey's ablest attorneys. The Water Commission had in its corner one of New Jersey's most knowledgeable water attorneys, Oscar Wilensky, its chief counsel.

Schiff proved to be a real champion, fighting for the interests of the city he represents. Wilensky's encyclopedical knowledge of New Jersey's water problems and resources benefited not only the commission he served, but all the participating communities as well.

We knew Bob Roe was a talented, dedicated, public servant. Just how deep his dedication is—how keen and ingenious he is—we didn't know until now.

When future state historians write the history of the successful solutions to New Jersey's water shortage problems in the last half of the Twentieth Century, a major share of the credit must go to Bob Roe.

As a member of the state's North Jersey District Water Supply Commission the undersigned is able to make the above observations from personal participation in the negotiations.

F. A. O.

THE VISTA VOLUNTEERS

Mr. REUSS. Mr. Speaker, I ask unanimous consent that the gentleman

from West Virginia [Mr. HECHLER] 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 Wisconsin?

There was no objection.

Mr. HECHLER of West Virginia. Mr. Speaker, as the principal speaker at a recent VISTA graduation program at Jackson's Mill, W. Va., the Honorable Hulett C. Smith, Governor of West Virginia, offered advice that should have meaning not only to the volunteers in service to America but to us all.

Governor Smith stressed that those involved in the Nation's strategy against poverty must demonstrate leadership, understanding, patience, a willingness to work with others and, above all perhaps, a recognition of the circumstances and customs of those who are poor.

Governor Smith was speaking specifically to the VISTA's completing their training at Jackson's Mill but his words have importance for us all—for each of us has a responsibility to fulfill in combating poverty.

For that reason I include his thoughtful remarks at this point in the RECORD:

Six weeks ago, you began your training to prepare for your work in Appalachia.

You have already begun to experience some of the deprivations peculiar to this tedious work.

But don't be misled into thinking that these weeks of training in the field and elsewhere have initiated you into *every* problem that you will encounter.

In your field work, you have only witnessed *some* of the substandard conditions of poverty.

You will witness more.

The more you witness, the more disappointed you will become.

But this much is certain: the degree of your success will be proportionate to the degree that you *listen* to the people with whom you're working—the people you're trying to help.

To *discuss* with them—from *their* point of view—is the keynote to this inter-personal relationship.

If you have not already, you will begin to discover that the deprived person of Appalachia is a *secluded* person—secluded from the *mainstream* of America, secluded from the *urban* sprawl, secluded from middle-class accomplishments. This person is a living reality of an American *paradox* where wealth has produced poverty.

Each of you is confronted with producing a climate in which a person may realize his capabilities . . . whatever they may be.

Each of you is faced with the challenge of helping this person secure an education where he can learn a skill.

And each of you must face your *own* inadequacies before you can even begin to understand the other person in his isolation, in his poor education, in his inadequate nutrition, and in his poor housing.

All of these depressing circumstances are inter-related with that which makes poverty persist.

Above all, however, I urge you to learn the *laws of the land* in which you work, and the *customs* of the people.

You should be aware of local ordinances, before you attempt to change something that would get you an uncomfortable position with the law.

And this has happened in the past.

The people in the communities in which you work must be viewed as your *friends*.

Too often, the assumption is automatically made that local government officals are always *against* you.

If you take the time to talk with them, I think you will find this is *not* the case, because remember—*their* job is to make the area progress, too.

And I call on you to set an *example*—in *your habits*, in your *attitudes* and in your *grooming* . . . because the people will be looking to you for just that—*an example*.

They anticipate that you will be a *leader*.

And if you fail to set the right example, then you're bound to encounter a great deal of opposition, springing from *personal* faults, against a program that is really worthwhile.

These are some of the challenges which confront you and they need radical new concepts and approaches.

If you bring to this challenge your energies and efforts, then many of these distressing problems can begin to be solved.

In so doing, take into account that *local* initiative and *local* resources should be utilized in dealing with these problems.

We on the State level pledge you our cooperation in dealing with these problems, in conjunction with federal and county governments.

But even *with* all these efforts, be also aware that progress will be *slow* and that you are dealing with a social disease for which no one has yet devised the ultimate cure.

DESERVES UNANIMOUS SUPPORT

Mr. REUSS. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. MONAGAN] 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 Wisconsin?

There was no objection.

Mr. MONAGAN. Mr. Speaker, I rise in support of H.R. 10226 which provides additional mailing privileges for members of the U.S. Armed Forces and provides surface rates on airlift mail for certain parcels that are mailed at or addressed to any Armed Forces post office within the United States or overseas.

The House Post Office and Civil Service Committee report estimated that the cost of this legislation would be approximately $6.5 million annually. This is a small price to pay for the beneficial impact free mailing privileges will have on the morale of overseas or hospitalized GI's.

Furthermore, this legislation will go a long way toward alleviating the financial burden faced by parents who want to send parcels to their sons in the military as rapidly as possible.

In this time of conflict all over the world, when American boys are carrying the burden of trying to preserve peace, anything we can do to lighten this burden we have a moral obligation to do. The liberalization of mailing privileges of members of U.S. Armed Forces overseas is no more than a token illustration of our confidence in them, our respect for their commitment, and our appreciation for their sacrifices.

THERE MUST BE A BETTER WAY

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. SCHADEBERG] 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 Ohio?

There was no objection.

Mr. SCHADEBERG. Mr. Speaker, one of the fine newspapers in my district, the Elkhorn Independent, carried an editorial recently which points up a much-debated dilemma facing this Nation, the problem of finding an equitable solution to the disputes between management and labor without infringing upon the rights of either.

At the request of Mr. Walt Sands, of Elkhorn, Wis., who very kindly brought this editorial to my attention, I respectfully place this editorial in the RECORD at this point:

THERE MUST BE A BETTER WAY

There must be a better way of settling labor-management disputes than by the present methods which bring suffering and hardship to innocent people as well as those directly involved.

If organized tradesmen could put the pressure on the employer without affecting other trades, businesses and the public, it would be fine, but life is so complicated these days that almost any work stoppage shuts down plants which use the product in their manufacturing, and are forced to close and lay off employees. Once the chain reaction has set in, everyone is eventually affected. Work stoppage that affects war production is especially disastrous because the man at the end of the line, the American serviceman in Vietnam, cannot stand a shortage in what he needs.

The right to strike is fundamental and unquestioned. Yet the fact remains that sometimes each strike will be settled. It is unfortunate that it is necessary to cause all this hardship while reaching a decision. There must be a better way that would be welcomed by labor, management and the public. The best minds in America should be at work on a solution to this problem.

IF THIS BE HERESY

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. SCHADEBERG] 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 Ohio?

There was no objection.

Mr. SCHADEBERG. Mr. Speaker, the distinguished president of Beloit College, Dr. Miller Upton, recently addressed an honors convocation at Ripon College in Wisconsin. His thought-provoking comments on this occasion are well worth the attention of the Members of this body.

I submit Dr. Upton's remarks to be included in the RECORD at this point:

IF THIS BE HERESY

(By Miller Upton)

I am truly honored to have been asked to speak to you on your Honors Day. But to honor you, I must first honor myself by being honest with you. To honor you fully, I feel I must say things to you which much of our society today, apparently, would indict as dishonorable. To honor you properly, I feel I must say things which are seldom said these days—the "unmentionables" within a framework of thinking that has become so deeply established and pervasive that they resound with the tremor of heresy.

For, you see, I have just about reached

the end of my tolerance for the way our society at the present time sems to have sympathetic concern only for the misfit, the pervert, the drug addict, the drifter, the ne'er-do-well, the maladjusted, the chronic criminal, the underachiever, the loser—in general, the underdog. It seems to me we have lost touch with reality and become warped in our attachments, if not in fact psychotic.

In short, I feel it is time for someone like me to stand up and say, "I'm for the upperdog!" I'm for the achiever—the one who sets out to do something and does it; the one who recognizes the problems and opportunities at hand and endeavors to deal with them; the one who is successful at his immediate task because he is not worrying about someone else's failings; the one who doesn't consider it "square" to be constantly looking for more to do, who isn't always rationalizing why he shouldn't be doing what he is doing; the one, in short, who carries the work of his part of the world squarely on his shoulders. Not the wealthy, necessarily, not the ones in authority, necessarily, not the gifted, necessarily—just the doer, the achiever—regardless of his status, his opulence, his native endowment.

We are not born equal; we are born unequal. And the talented are no more responsible for their talents than the underprivileged for their plight. The measure of each should be by what he does with his inherited position. No one should be damned by the environmental condition of his life—whether it be privileged or underprivileged.

I trust it is sufficiently clear by this time why I am so honored and so pleased to be invited to speak at this honors convocation. This is one of the few remaining ceremonies where the achiever is honored. It is a dying fashion to pay respect to those who achieve—who really "have it"—to use the vernacular. This is the day when the fashion is to be for the underdog. The attitude is being developed that if you really want people to care for you (and who doesn't), don't be successful, be a misfit, a loser, a victim of one's environment.

Right here and right now it's different, though. This is an occasion to honor the successful—to say it is better to win than to lose, better to receive an *A* than a *C*, that class rank *is* meaningful, that those who have developed the pattern of achieving in college will go on achieving out of college, and because of their achievement the rest of us will live richer and easier lives.

I'm not entirely sure of the reason for what appears to me to be a general social psychological aberration, but I suspect it springs from a massive social guilt. Each of us individually is so aware of our personal limitations that we have developed a form of masochistic reaction to problems of the day. Instead of attempting to deal with the problems in a forthright way, we berate ourselves, we martyr ourselves, we pillory ourselves. Or if the problems seem too much for us to handle, we mitigate our sense of guilt by heaping all blame on convenient scapegoats or by concerning ourselves with the problems of others at a conveniently remote distance.

Let me illustrate my point by specific reference. I have become increasingly bored and resentful of the ridicule and snide references made of the WASPS. (The white, anglo-saxon, protestant suburbanites.) I wouldn't feel the point so strongly were the criticisms leveled by those outside of the circle. Such could be looked upon as healthy social criticism and competition. But when it mainly comes from those who are part of the circle —WASPS stinging themselves—it assumes the nature of sick self-immolation.

Our society's treatment of the negro over the years is deplorable. In fact, that's too mild a term for it. The word "sinful" in its full theological sense is more accurate. But this fact does not justify us in our sense of guilt condemning a particular segment of society which in many ways constitutes the backbone of American social existence. If damning by association is wrong, as I would maintain strongly it is, then how horribly wrong it is to level our guns of hostility, envy and ridicule in this fashion on the successful white man who more often than not struggled financially to get a college education, who more often than not works at his job more than 60 hours a week, who buys a comfortable home in the suburbs with the welfare of his family in mind, who is active in his church and community affairs, who gives his time to service on boards of education and social welfare agencies, and in some cases is shortening his life span through overwork and anxiety resulting from the basic social responsibilities he must carry.

These are among the chief doers and achievers of today. And where would our society be without them? For one thing, we would not have Ripon College or Beloit College or the University of Wisconsin as we know them today were it not for the likes of these people. Nor could we afford to have a major portion of the population going to school for 12–20 years. Nor would we enjoy the leisure time, recreational activities and cultural advantages which are a direct product of our material welfare. However, there would be one by-product advantage: We would have to be so concerned individually with eking out our own meager existence that there would be no time to be wasted on such irrelevant and dishonest name-calling and buck-passing.

Or, just as we point an accusing finger at those who succeed within our economic system, so we accuse the system itself of faults which are not of its creation. In short, we tend to blame the economic system for the faults of individuals who operate within it. It is important to recognize that the quality of any society is directly related to the quality of the individuals who make it up. Therefore, let us stop referring naively to creating a "great" society. It is enough at this stage of our development to aspire to create a decent society. And to do so our first task is to help each individual be decent unto himself and in his relationship with other individuals. A decent society cannot be created out of a vacuum and imposed. It can only evolve out of the lives of constituent members. In this regard, our economic system has become the scapegoat for the failures of our educational, religious and family institutions to develop decent and responsible individuals.

Whenever one blames another or group of individuals for one or more of the ills of mankind—beware! He is expressing personal hostility and offering no solution. There is no single scapegoat for the world's ills, unless it be our own personal limitations as finite beings.

Also, the Puritan ethic and religious morality in general have come in for some heavy-handed humor and disdain. I can support that criticism which focuses on arbitrary value judgments. But we seem to be in the process of developing a much more perverse kind of moralism—a moralism which says that since love is the one absolute virtue of man, the one way we will solve the problems of poverty, crime, racial discrimination and the like is by forcing everyone to love everybody else—we must love the white man because he is white, or the black man because he is black, or the poor because he is poor, or the enemy because he is the enemy, or the perverse because he is perverse, or the afflicted because he is afflicted! Rather than because he is a human being, any human being who just happens to be white or black; poor or rich; enemy or friend.

This is a hideous abuse of the notion of love that avoids the hard fact that love is a uniquely personal experience. If it is idle to attempt to legislate individual morality, it is even more idle, and even arrogant, to attempt to force individual love. There can be no love unless it is genuine and authentic. To love, or go through the pretense of loving, without truly feeling that way is one of the lowest forms of hypocrisy. It is dishonesty at its worst. And the fruits of such dishonesty, as with all forms of dishonesty, is distrust, degradation, chaos. We should respect all people so much that we would not dare demean one by pretending to love him when we don't.

Here is the evil I see about us so much at the present time: Love is expressed in a masochistic way—as a duty to be performed rather than a blessing to be received. The notion is current that to love is to sacrifice, that the Good Samaritan was good because he put himself out. We should sacrifice ourselves for the poor because we feel sorry for them, we should sacrifice ourselves for the dispossessed because we feel sorry for them, we should sacrifice ourselves for the retarded because we feel sorry for them, etc.

What a tragic confusion of motives! This is not love; this is a sick desire to be loved. It is a perverse and futile attempt to escape the pain of guilt. If you would put my claim to a test, just make a date sometime with a girl who doesn't go out very often and then tell her you did it because you felt sorry for her.

We need to start being honest with ourselves in more ways than one. It is too bad that we have failed to heed the charge that Polonius made to his son: "This above all, to thine own self be true." For were we to do so we would have to admit honestly and joyously that love in its very essence is selfish. Were it not so, there would be none—not real love, only a martyred imitation.

Our loving should not be restricted to the poor and dispossessed but should be offered to all. It is in the act of loving that we are redeemed—not in loving the poor alone. And it is in the personal redemption of each individual that the hope of the world exists, not in the changing of the other person.

To love is to give. But it is in giving that the giver receives his reward—his sense of belonging, of being accepted, of being needed. To give because you think you are expected to or because you hope for something in return is not true giving—it is hope for receiving, and therefore frustrating.

In other words, it is in the act of giving that one feels rewarded. And by the same token, it is in the act of loving that one feels loved. There is no time sequence involved. One should not act benevolently in order to receive reward in the future. If the reward is not experienced simultaneously with the act it will never be realized. Loving is its own reward! This is the true message of the Good Samaritan: He made no sacrifice, he experienced a greater peace and joy than those who had passed by, and in this sense he was more selfish. More humanly and intelligently selfish! How else can we interpret the promise that he who would be master must first be servant? Or that it is better to give than to receive?

A sense of compassion is a stimulus to love, but for authentic love to be experienced the compassion itself must be authentic and not manipulated. If a man is truly the product of his environment, then shouldn't we feel just as sorry for those who are cursed by affluence as those who are cursed by poverty? If I had to choose between being a product of a very wealthy family whose father is never around and whose parents are always involved in social or public obligations, or of a poor, struggling family whose parents are ever-present and loving, I would choose the latter every time. The only trouble is I would probably end up being the "successful" first kind because of the sense of

security I would enjoy, and then my own children would in turn be deprived.

The only people I feel sorry for are those who feel sorry for themselves. And this state of mind has nothing to do with wealth or poverty, intelligence or ignorance, prestige or ignominy. I am impressed with the large number of well-to-do people who commit suicide each year, probably a higher proportion than among any other group. This act to me is the ultimate evidence of poverty of spirit, and this is the basic poverty we should be concerned about. In the final analysis our compassion should be expressed for people—whether they be white, black or yellow; rich, poor or middle class; genius, average or moron—any who suffer a poverty of spirit.

And to be authentic, this compassion must spring from real contact with a situation which our love can affect and not with a figment of our imagination. How dare we be so insolent as to speak of creating a great society when we aren't even capable individually of creating a healthy home environment?

What I am insisting, in other words, is that we take care of Ripon and Beloit before we concern ourselves with Selma and Saigon. It's not a matter of charity beginning at home. The point of the matter is that there can be no charity anywhere if it does not exist at home. And it is not unconcern for Selma and Saigon. It is a matter of the fact that authenticity, *auto-hentes*, means "that which is at hand."

The hardest task in the world is to love the person at hand—your roommate, your brother or sister, your wife or husband, your parent, the man across the counter, or the desk. It is so much easier to love in your imagination the Saigon waif than it is actually to pick up in your arms and hold firmly and lovingly the emaciated, sore-covered body of the unwanted child that can be found in any American city or town.

This kind of ersatz compassion is not humanitarianism; it is escapism. It is the mental process by which we try to kid ourselves into thinking we are better than we really are. It is the psychological process by which man hides from the realities of the here and now by caressing his ego through *imagined* concern for the there and later. It takes no personal courage or sacrifice to bleed and die in one's mind for the remote victim of oppression, poverty or disease. But it requires supreme courage and compassion and understanding—true love—to turn to your neighbor, extend your hand, look him in the eye and tell him why you like him or don't, as the case may be.

We have serious problems and issues facing our society at the present time. Let there be no doubt about it. But they can be solved over time if we will attack them directly and honestly, that is, if we will be willing to pay the price in time and persistent personal effort. They will never be subject to instant solution—to wishing it so. Nor will they be solved by blaming others for their existence, or by making certain segments of society the scapegoat for the general ills of society. Nor will they will be solved by running away from them by concerning ourselves with remote situations rather than those at hand. Nor will they be solved by application of the perverse notion that to love means only to sacrifice one's self.

The one most certain point is that they will be solved by doers, not people with good intentions but individuals with good deeds. Not those who talk a good game but those who play a good game—the achiever. We will never create a good society, much less a great one, until individual excellence and achievement is not only respected but encouraged. That is why I'm for the upperdog—the achiever—the succeeder: I'm for building an ever better society and this will only be done by those who take seriously their responsibility for achievement, for making the most of their native ability, for getting done the job *at hand*.

Alfred North Whitehead once said, "The present contains all that there is. It is holy ground; for it is the past, and it is the future." In this very wonderful sense we stand on holy ground right here and now. We honor those we see about us who have been faithful to their trust in their past pursuits. And in thus honoring individual achievement *for its own sake* we face the future with greater hope.

COMPULSORY ARBITRATION IN STRIKE SETTLEMENTS

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. BROCK] 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 Ohio?

There was no objection.

Mr. BROCK. Mr. Speaker, more than 2 years ago, the President promised to come up with a sound and workable plan for the settlement of strikes that threaten to cause severe disruptions in our economy and great inconvenience to our people. I must assume that he had—or certainly could have had—help from some of the best minds in the field of labor and management relations. Yet, after all this time, the President comes to Congress with a plan that has been rejected time and time again—a plan which amounts, purely and simply, to compulsory arbitration.

I cannot buy this approach. Such compulsion would reduce greatly the area of economic freedom for both labor and management. In spite of all the disclaimers already being trumpeted by the administration, the plain truth is that the adoption of the President's bill would be the first step along a path that would lead to a progressively greater Government role in fixing wages and working conditions, and, ultimately, would wipe out free collective bargaining.

I also cannot agree with those who say that this type of approach is the only one left open to us. There is an answer to this problem short of general seizure or compulsory arbitration. There is an answer to this problem that is consistent with our system of free enterprise and economic freedom.

The administration's answer is simple—simple compulsion. The answer which I propose today is not quite so simple, but it does preserve collective bargaining. It is consistent with our principles of economic freedom.

Step by step—here is how my plan would work. It would apply only to those common carriers who are named in the Railway Labor Act—that is, the railroads, the airlines, water transport, and certain terminal facilities. These are, by-and-large, the people who provide an essential service for which there is no available substitute. It would not come into effect until all other existing procedures—that is, mediation, "cooling off" periods, injunctions—have been exhausted or have expired.

No agreement being reached, my plan would then require a "fractionalization"—a breaking down—of bargaining units. That is, an employer would be allowed to bargain only with his employees; employees would be allowed to bargain only with their employer. No union or management association would be allowed to represent more than one group of employees or one employer.

Take for example a strike against the airline industry. At the point where my plan would become effective, pilots who worked for a certain line—say United—would deal only with United, and United would have to deal exclusively with its pilots. If they reached a settlement, then they could go back to work—regardless of what the other lines were doing. In other words, there would not have to be an industrywide agreement—one that would satisfy all employers and all employees in the particular industry.

Another important requirement of my plan would be a secret polling of employees—conducted by the Mediation Board—to determine, first, whether a strike would be called, and, then, every 21 days thereafter, to determine if the strike would be continued. If the majority of a company's employees were satisfied with an offer, then they could vote to go back to work—again, regardless of what employees of other companies might choose to do.

This represents, I think, a practical approach. It would preserve collective bargaining. It would encourage prompt settlement of disputes. It would prevent oppressive concentrations of power in the hands of either industry or labor. It would allow all of the influences of a free and competitive economy to come into play in the settlement of strikes that might otherwise drag on to a severe disruption of our economy.

I ask that the Members of this House, especially those sitting on the Education and Labor Committee, give this proposal their very serious consideration.

ON NAVIGATIONAL SAFETY AND BRIDGE-TO-BRIDGE COMMUNICATIONS

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the gentlewoman from New Jersey [Mrs. DWYER] may extend her 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 Ohio?

There was no objection.

Mrs. DWYER. Mr. Speaker, last Thursday, I introduced a bill, H.R. 10466, to authorize regulations requiring certain vessels to use bridge-to-bridge radiotelephone communications while operating in certain areas of the navigable waters of the United States.

In view of the importance I attach to this legislation, I should like to bring it to the attention of our colleagues and explain why I believe it warrants the interest and support of the House.

The weight of expert opinion indicates that for the relatively modest expenditure of $700, vessels using the harbors, bays, and inland waterways of our country can equip themselves with a bridge-

to-bridge radiotelephone system which will greatly increase the margin of safety for their passengers, crews, and cargoes.

Given the high cost of collisions while underway, in terms of lives that are lost and property damaged, this kind of inexpensive and effective safety insurance should be required in the public interest. We need only remember last year's tragic collision of the tankers *Alva Cape* and *Texaco Massachusetts* in the Newark Bay area of the New York-New Jersey Port, which cost 33 lives, and the 1956 collision of the passenger liners *Stockholm* and *Andrea Doria* which caused 50 deaths, to appreciate the urgency of taking all reasonable precautions against their recurrence. Maritime experts agree that both these collisions may well have been averted had the ships involved been in bridge-to-bridge radio communication.

The Case-Dwyer bill, Mr. Speaker, which is titled "The Navigational Safety Radio Act of 1967," would apply to self-propelled passenger ships of 100 gross tons or more, to other motorized vessels of 300 gross tons or more, and to special-purpose craft such as dredges when their operations might hinder regular shipping traffic. While every ship of significant size would be covered, the tonnage standards in the bill would exempt most tugs, barges, and pleasure craft, though committee hearings may develop the need to include heavier barges or strings of barges under the requirement of using bridge-type radiotelephone systems.

The rising rate of shipping accidents—a rate which has doubled on an annual basis, for example, in the Newark Bay area during the past 3 years—makes it evident that existing safety precautions are inadequate. This is further confirmed by the fact that where bridge-to-bridge radio communication is used, even on a voluntary basis, it has been highly effective. The Coast Guard reports, for instance, that the use of the system in Port Philadelphia has resulted in "a dramatic reduction in collision frequency."

Our proposal, in large measure, is the result of extensive experience and study on the part of the Coast Guard, the American Association of Port Authorities, and other public and private groups. The regulations our bill would authorize would be reasonable and effective, and I hope the Merchant Marine and Fisheries Committee will begin active consideration of the legislation at an early date.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. THOMPSON of New Jersey, from June 5, 1967, through June 30, on account of official business.

Mr. LONG of Louisiana (at the request of Mr. WAGGONNER), from June 2, 1967, through June 15, 1967, on account of official business.

Mr. FOUNTAIN (at the request of Mr. TAYLOR), for today, on account of official business.

Mr. BUTTON (at the request of Mr. GERALD R. FORD), for today, on account of official business.

Mr. WOLFF (at the request of Mr. BOGGS), for Monday, June 5, 1967, on account of official business.

SPECIAL ORDERS GRANTED

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

Mr. REUSS for 40 minutes today, to revise and extend his remarks and include extraneous matter.

To the following Members (at the request of Mr. WYLIE), to revise and extend their remarks and to include extraneous matter:

Mr. PELLY, for 10 minutes, on June 6.

Mr. TALCOTT, for 10 minutes, on June 7.

Mr. POLLOCK, for 10 minutes, on today, June 5.

EXTENSION OF REMARKS

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

Mr. HANNA in three instances.

Mr. MCCORMACK (at the request of Mr. ALBERT) and to include extraneous matter.

Mr. MATSUNAGA.

Mr. TENZER.

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

Mr. FINO.

Mr. MATHIAS of California.

Mr. WIDNALL.

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

Mr. WALKER.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 3 o'clock and 31 minutes p.m.), the House adjourned until tomorrow, June 6, 1967, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

798. A letter from the Secretary of Health, Education, and Welfare, transmitting proposed changes in S. 1126 and H.R. 6232 to incorporate proposals of the administration and related simplifying and clarifying amendments; to the Committee on Education and Labor.

799. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal, pursuant to the provisions of 63 Stat. 377; to the Committee on House Administration.

800. A letter from the Administrator, Federal Aviation Administration, Department of Transportation, transmitting the Eighth Annual Report of the Federal Aviation Agency, covering fiscal year 1966, pursuant to the provisions of section 313(e) of the Federal Aviation Act of 1958; to the Committee on Interstate and Foreign Commerce.

801. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copy of an order entered in a certain case, pursuant to the provisions of section 13(c) of the act of September 11, 1957; to the Committee on the Judiciary.

802. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order suspending deportation in a certain case, pursuant to the provisions of section 244(a)(2) of the Immigration and Nationality Act of 1952, as amended; to the Committee on the Judiciary.

803. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the provisions of section 244(a)(1) of the Immigration and Nationality Act of 1952, as amended; to the Committee on the Judiciary.

804. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases together with a list of the aliens covered, pursuant to the provisions of section 212(d)(6) of the Immigration and Nationality Act; to the Committee on the Judiciary.

805. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting reports of visa petitions approved according the beneficiaries third preference and sixth preference classification, pursuant to the provisions of section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

806. A letter from the Postmaster General, transmitting a draft of proposed legislation to reduce from 5 to 4, the ratio of career substitutes to regular employees in the postal field service; to the Committee on Post Office and Civil Service.

807. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated March 31, 1967, submitting a report, together with accompanying papers and illustrations, on a letter report on Lafayette River, Norfolk, Va., requested by a resolution of the Committee on Public Works, House of Representatives, adopted March 2, 1939; no authorization by Congress is recommended as the desired improvement has been adopted for accomplishment by the Chief of Engineers under the provisions of section 107 of the 1960 River and Harbor Act; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of June 1, 1967, the following bill was reported on June 2, 1967:

Mr. WHITTEN: Committee on Appropriations. H.R. 10509. A bill making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1968, and for other purposes (Rept. No. 330). Referred to the Committee of the Whole House on the State of the Union.

Under clause 2 of rule XIII, pursuant to the order of the House of May 25, 1967, the following bill was reported on June 2, 1967:

Mr. MILLS: Committee on Ways and Means H.R. 10328. A bill to increase the public debt limit set forth in section 21 of the Second Liberty Bond Act, and for other purposes (Rept. No. 331). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. DONOHUE: Committee on the Judiciary. H.R. 1564. A bill for the relief of Antonina Rondinelli Asci; with amendment (Rept. No. 332). Referred to the Committee of the Whole House.

Mr. CAHILL: Committee on the Judiciary. H.R. 1818. A bill for the relief of Marina Panagiotis Restos; with amendment (Rept. No. 333). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary, H.R. 2036. A bill for the relief of Carlos Rogelio Flores-Vasquez (Rept. No. 334). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 3007. A bill for the relief of Mrs. Aranka Mlinko; with amendment (Rept. No. 335). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 3471. A bill for the relief of Francesco Corigliano; with amendment (Rept. No. 336). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 6096. A bill for the relief of Mrs. Inge Hemmersbach Hilton; with amendment (Rept. No. 337). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, pursuant to the order of the House of June 1, 1967, the following bill was introduced on June 2, 1967:

By Mr. WHITTEN:

H.R. 10509. A bill making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1968, and for other purposes.

[*Submitted June 5, 1967*]

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

By Mr. BROWN of Ohio:

H.R. 10510. A bill to revise the quota control system on the importation of certain meat and meat products; to the Committee on Ways and Means.

By Mr. CELLER:

H.R. 10511. A bill to amend title 18 of the United States Code to authorize the Attorney General to admit to residential community treatment centers persons who are placed on probation, released on parole, or mandatorily released; to the Committee on the Judiciary.

By Mr. DE LA GARZA:

H.R. 10512. A bill to reclassify certain positions in the postal field service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DELLENBACK:

H.R. 10513. A bill to amend title 28 of the United States Code, "Judiciary and Judicial Procedure," and incorporate therein provisions relating to the U.S. Labor Court, and for other purposes; to the Committee on the Judiciary.

By Mr. DORN:

H.R. 10514. A bill to amend title XIX of the Social Security Act to permit payment to the recipient of medical assistance, for physician services furnished under the program; to the Committee on Ways and Means.

H.R. 10515. A bill to revise the quota-control system on the importation of certain meat and meat products; to the Committee on Ways and Means.

By Mr. FASCELL:

H.R. 10516. A bill to provide for the sharing with the States of one-half of the revenues derived from Federal excise taxes on alcohol and tobacco; to the Committee on Ways and Means.

By Mr. HAWKINS:

H.R. 10517. A bill to amend the Fair Labor Standards Act of 1938, as amended to extend its protection to employees employed in certain forestry or lumbering operations; to the Committee on Education and Labor.

By Mr. McCLORY:

H.R. 10518. A bill to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States; to the Committee on Rules.

H.R. 10519. A bill to amend the Internal Revenue Code of 1954 to provide for an income tax deduction for political contributions; to the Committee on Ways and Means.

By Mr. MILLS:

H.R. 10520. A bill to establish the Government Program Evaluation Commission; to the Committee on Government Operations.

By Mr. NELSEN:

H.R. 10521. A bill providing for the reorganization of the government of the District of Columbia; to the Committee on the District on Columbia.

By Mr. PRYOR:

H.R. 10522. A bill to reclassify certain positions in the postal field service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PUCINSKI:

H.R. 10523. A bill to amend the Federal Aviation Act of 1958 to authorize aircraft noise abatement regulation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of California:

H.R. 10524. A bill to authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. VANIK:

H.R. 10525. A bill to amend the Internal Revenue Code of 1954 to continue after March 31, 1968, the existing 7-percent manufacturers excise tax on automobiles and the existing 10-percent excise tax on communication services; to the Committee on Ways and Means.

By Mr. WYLIE:

H.R. 10526. A bill to prohibit certain financial institutions from participating in gambling activities; to the Committee on Banking and Currency.

By Mr. WYMAN:

H.R. 10527. A bill to repeal the authority for the current wheat and feed grain programs and to authorize programs that will permit the market system to work more effectively for wheat and feed grains, and for other purposes; to the Committee on Agriculture.

H.R. 10528. A bill to authorize the U.S. District Court for the District of New Hampshire to hold court at Manchester; to the Committee on the Judiciary.

H.R. 10529. A bill to regulate imports of milk and dairy products, and for other purposes; to the Committee on Ways and Means.

By Mr. BROCK:

H.R. 10530. A bill to amend the Railway Labor Act with respect to the settlement of emergency labor disputes in industries subject to that act and to require that strikes by railway and airline employees must be authorized by a secret ballot of the employees in the bargaining unit; to the Committee on Interstate and Foreign Commerce.

By Mr. EILBERG:

H.R. 10531. A bill providing for the use of money received by the United States for oil shale; to the Committee on Armed Services.

By Mr. McCLORY:

H.R. 10532. A bill to expand the definition of deductible moving expenses incurred by an employee; to the Committee on Ways and Means.

By Mr. MATSUNAGA:

H.R. 10533. A bill to amend title 5, United States Code, to provide an allowance based on living costs and conditions of environment for Federal employees in Hawaii, Alaska, Puerto Rico, and the Virgin Islands whose pay is fixed in accordance with prevailing rates; to the Committee on Post Office and Civil Service.

By Mr. MOSS:

H.R. 10534. A bill to authorize and direct the General Services Administration to make payment in lieu of taxes to the city of Sacramento, Calif.; to the Committee on the Judiciary.

By Mr. ROBISON:

H.R. 10535. A bill to amend the Public Health Service Act in order to authorize quality grants for schools of veterinary medicine and scholarships for students of veterinary medicine; to the Committee on Interstate and Foreign Commerce.

By Mr. SCHEUER:

H.R. 10536. A bill declaring October 12 to be a legal holiday; to the Committee on the Judiciary.

By Mr. HARVEY:

H.J. Res. 600. Joint resolution to create a joint congressional committee to review, and recommend revisions in, the laws relating to industrywide collective bargaining and industrywide strikes and lockouts; to the Committee on Rules.

By Mr. PATMAN (for himself, Mr. WIDNALL, and Mr. BARRETT):

H.J. Res. 601. Resolution extending for 4 months the emergency provisions of the urban mass transportation program; to the Committee on Banking and Currency.

By Mr. CHAMBERLAIN:

H. Res. 498. Resolution expressing the sense of the House that certain social security and railroad retirement benefits shall not be made subject to Federal income taxes; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

216. By the SPEAKER: Memorial of the Legislature of the State of Florida, relative to the Breckenridge and Call land grants in Santa Rosa County, Fla.; to the Committee on Interior and Insular Affairs.

217. Also, memorial of the Legislature of the State of Louisiana, relative to legislation imposing unreasonable and unwarranted restrictions on the sale, possession, and use of firearms by sportsmen and other reputable citizens; to the Committee on the Judiciary.

218. Also, memorial of the Legislature of the State of Louisiana, relative to the reduction of the Federal tax load or to rebate to the States on an equitable basis a portion of the Federal taxes collected; to the Committee on Ways and Means.

219. Also, memorial of the Legislature of the State of Ohio, relative to the combat divisions of the Army National Guard; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. AYRES:

H.R. 10537. A bill for the relief of Yee Sik Quoon; to the Committee on the Judiciary.

By Mr. BRASCO:

H.R. 10538. A bill for the relief of Angelo Vitale; to the Committee on the Judiciary.

By Mr. O'NEILL of Massachusetts:

H.R. 10539. A bill for the relief of Celia S. and Dominador Calderon; to the Committee on the Judiciary.

By Mr. RODINO:

H.R. 10540. A bill for the relief of Mark Edward Associates, Inc.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

97. The SPEAKER presented a petition of Henry Stoner, Portland, Oreg., relative to different colors for different denominations of U.S. paper money, which was referred to the Committee on Banking and Currency.

SENATE

MONDAY, JUNE 5, 1967

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

Dr. John Maxwell Adams, chaplain, Macalester College, St. Paul, Minn., offered the following prayer:

Eternal God, creator, sustainer, and redeemer of life—we give Thee thanks for all the blessings Thou has showered upon this Nation; and again we remind ourselves of our dependence upon Thee for every good. As we face the momentous decisions that we must make this day, we confess that "our goodness is not good enough; our wisdom is not wise." Therefore, we ask for the blessing of Thy goodness and the guidance of Thy wisdom in every thought, word, and act. Forgive our sins and cleanse us from all unrighteousness.

We have been told that "unless the Lord build the house, they labor in vain that build it," and so we pray that Thou wilt clearly reveal to us Thy will for our world, that we may work with Thee in the doing of it.

For all who are in distress this day we pray, and for all who seek to relieve their suffering. For those in every nation who bear political responsibility we ask that Thou wilt lead us all, enemies and friends alike, in the ways of justice and brotherhood that make for peace—especially today in Asia and in the land that for centuries men have called holy. May Thy kingdom come and Thy will be done on earth as it is in heaven, to the glory of Thy holy name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 1, 1967, was dispensed with.

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 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.)

WAIVER OF CALL OF THE CALENDAR

On request of Mr. MANSFIELD, and by unanimous consent, the call of the legislative calendar, under rule VIII, was dispensed with.

LIMITATION ON STATEMENTS DURING THE TRANSACTION OF ROUTINE MORNING BUSINESS

On request of Mr. MANSFIELD, and by unanimous consent, statements during the transaction of routine morning business were ordered limited to 3 minutes.

COMMITTEE MEETINGS DURING SENATE SESSION

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

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Pursuant to the order of the Senate of June 1, 1967,

Mr. MCCLELLAN (for Mr. ERVIN), from the Committee on the Judiciary, reported favorably, with amendments, on June 1, 1967, the bill (H.R. 2508) to require the establishment, on the basis of the 18th and subsequent decennial censuses, of congressional districts composed of contiguous and compact territory for the election of Representatives, and for other purposes, and submitted a report (No. 291) thereon, which was printed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, 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. 8718. An act to increase the annual Federal payment to the District of Columbia and to provide a method for computing the annual borrowing authority for the general fund of the District of Columbia; and

H.R. 10368. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1968, and for other purposes.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 8718. An act to increase the annual Federal payment to the District of Columbia and to provide a method for computing the annual borrowing authority for the general fund of the District of Columbia; to the Committee on the District of Columbia; and

H.R. 10368. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1968, and for other purposes; to the Committee on Appropriations.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on examination of financial statements, fiscal year 1965, Federal Housing Administration, Department of Housing and Urban Development, dated May 1967 (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 savings possible by consolidating management of acquired residential properties, Federal Housing Administration, Department of Housing and Urban Development, and Veterans' Administration dated May 1967 (with an accompanying report); to the Committee on Government Operations.

REPORT ON FEDERAL WATER RESOURCES RESEARCH PROGRAM FOR FISCAL YEAR 1968

A letter from the Chairman, Federal Council for Science and Technology, Executive Office Building, Washington, D.C., transmitting, for the information of the Senate, a report on the Federal water resources research program for fiscal year 1968 (with an accompanying report); to the Committee on Interior and Insular Affairs.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

ADJUSTMENT OF STATUS OF AN ALIEN

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, an order in the case of Shams Ol Shoara, Ali Reza, relating to an adjustment of status of said alien (with an accompanying paper); to the Committee on the Judiciary.

THIRD PREFERENCE AND SIXTH PREFERENCE CLASSIFICATION FOR CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports relating to third preference and sixth preference classification for certain aliens (with accompanying papers); to the Committee on the Judiciary.

REPORT OF NATIONAL ACADEMY OF SCIENCES

A letter from the President, National Academy of Sciences, Washington, D.C., transmitting, pursuant to law, a report of that Academy, for the fiscal year ended June 30, 1964 (with an accompanying report); to the Committee on Labor and Public Welfare, and ordered to be printed.

MEDICAL DEVICE SAFETY ACT OF 1967

A letter from the Under Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to assure the safety, reliability, and effectiveness of medical devices with an accompanying paper); to the Committee on Labor and Public Welfare.

PETITION

The PRESIDENT pro tempore laid before the Senate a concurrent resolution adopted by the Legislature of the State of South Carolina, which was referred to the Committee on Agriculture and Forestry, as follows:

CONCURRENT RESOLUTION

Concurrent resolution memorializing Congress to change the method of dividing funds allotted under the Federal cropland adjustment program

Whereas, the Federal Cropland Adjustment Program, which pays farmers not to produce certain crops, in its present form appropriates funds which are distributed to eligible farmers on a first come, first serve basis; and

Whereas, this system is inequitable and works a terrific hardship on all farmers participating whether or not they are successful in obtaining funds; and

Whereas, in Anderson County several farmers, eager to be among the first filing requests for the 1967 Cropland Adjustment Program, spent the night in the Agricultural Building parking lot on the night prior to the first day for filing; and

Whereas, eighty Anderson County farmers filed requests for funds but because of the unfair first come, first serve rule only a few of them will receive money; and

Whereas, in Williamsburg County the first two applicants for funds under the 1967 program applied for the entire twelve thousand dollar county quota after they had camped out for several days outside the Kingstree Agricultural, Stabilization and Conservation Office; and

Whereas, some eligible farmers, because of physical infirmities or old age are not able to undergo the rigorous ordeal necessary in order to be one of the first applicants for funds; and

Whereas, it is believed that the Congress of the United States should take appropriate legislative action to correct the numerous inequities in the program to insure a fairer distribution of the funds under the Federal Cropland Adjustment Program. Now, therefore,

of the members of the House of Representatives from South Carolina, to the Clerk of

That the Congress of the United States is hereby memorialized to take legislative action to correct the inequities in the Cropland Adjustment Program so as to insure a fairer distribution of funds administered thereunder.

Be it further resolved that a copy of this resolution be sent to each of the United States Senators from South Carolina, to each of the members of the House of Representatives from South Carolina, to the Clerk of the United States Senate and to the Clerk of the United States House of Representatives.

RESOLUTION OF GENERAL ASSEMBLY OF STATE OF NEW JERSEY

Mr. CASE. Mr. President, I present a resolution adopted by the General Assembly of the State of New Jersey, and ask unanimous consent that it be appropriately referred and printed in full in the RECORD.

The PRESIDING OFFICER (Mr. CLARK in the chair). Without objection, it is so ordered.

The resolution was referred to the Committee on the Judiciary, as follows:

ASSEMBLY RESOLUTION

An assembly resolution memorializing the Congress of the United States to enact legislation prohibiting the mutilation or defilement of the flag of the United States

Whereas, There have recently occurred throughout the United States several incidents of mutilation or defilement of the flag of the United States; and

Whereas, Such incidents of mutilation or defilement of the flag of the United States give encouragement to those forces with which the United States is engaged in combat; and

Whereas, The mutilation or defilement of the flag of the United States is an act against the public order peace and tranquility of the United States as well as the several States thereof; and

Whereas, The State of New Jersey has already provided, by Section 2A:107–2 of the New Jersey Statutes, that "Any person who publicly mutilates, tramples upon or otherwise defaces or defiles any flag, standard, color or ensign of the United States or State flag of this State, whether the same be public or private property, is guilty of a misdemeanor"; and

Whereas, The Congress of the United States has not yet enacted legislation prohibiting the mutilation or defilement of the flag of the United States; now, therefore

Be it Resolved by the General Assembly of the State of New Jersey:

1. That the Congress of the United States be, and it is hereby, respectfully memorialized to consider and enact legislation prohibiting the mutilation or defilement of the flag of the United States.

2. That the President be, and he is hereby, respectfully requested to consider and formulate, for submission to the Congress of the United States, proposals for legislation which would prohibit the mutilation or defilement of the flag of the United States.

3. That certified copies of this resolution be forwarded forthwith to the United States Senate, the United States House of Representatives, the President of the United States and the Members of the Congress of the United States elected from the State of New Jersey.

CONCURRENT RESOLUTION OF GENERAL ASSEMBLY OF STATE OF SOUTH CAROLINA

Mr. HOLLINGS. Mr. President, on behalf of myself and my colleague, the senior Senator from South Carolina [Mr. THURMOND], I send to the desk a concurrent resolution adopted by the General Assembly of the State of South Carolina memorializing Congress to change the method of dividing funds allotted under the Federal cropland adjustment program. I ask that the concurrent resolution be printed in the RECORD, and appropriately referred.

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

The concurrent resolution was referred to the Committee on Agriculture and Forestry, as follows:

CONCURRENT RESOLUTION

Memorializing Congress to change the method of dividing funds allotted under the Federal cropland adjustment program

Whereas, the Federal Cropland Adjustment Program, which pays farmers not to produce certain crops, in its present form appropriates funds which are distributed to eligible farmers on a first come, first serve basis; and

Whereas, this system is inequitable and works a terrific hardship on all farmers participating whether or not they are successful in obtaining funds; and

Whereas, in Anderson County several farmers, eager to be among the first filing requests for the 1967 Cropland Adjustment Program, spent the night in the Agricultural Building parking lot on the night prior to the first day for filing; and

Whereas, eighty Anderson County farmers filed requests for funds but because of the unfair first come, first serve rule only a few of them will receive money; and

Whereas, in Williamsburg County the first two applicants for funds under the 1967 program applied for the entire twelve thousand dollar county quota after they had camped out for several days outside the Kingstree Agricultural, Stabilization and Conservation Office; and

Whereas, some eligible farmers, because of physical infirmities or old age are not able to undergo the rigorous ordeal necessary in order to be one of the first applicants for funds; and

Whereas, it is believed that the Congress of the United States should take appropriate legislative action to correct the numerous inequities in the program to insure a fairer distribution of the funds under the Federal Cropland Adjustment Program. Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

That the Congress of the United States is hereby memorialized to take legislative action to correct the inequities in the Cropland Adjustment Program so as to insure a fairer distribution of funds administered thereunder.

Be it further resolved that a copy of this resolution be sent to each of the United States Senators from South Carolina, to each of the members of the House of Representatives from South Carolina, to the Clerk of the United States Senate and to the Clerk of the United States House of Representatives.

CONCURRENT RESOLUTION OF GENERAL ASSEMBLY OF STATE OF SOUTH CAROLINA

Mr. THURMOND. Mr. President, on behalf of myself and my colleague [Mr. HOLLINGS], I send to the desk a concurrent resolution adopted by the General Assembly of the State of South Carolina memorializing the Congress of the United States to take such action as may be necessary in order to reestablish in Columbia, S.C., a permanent office to purchase all items which were formerly purchased in Columbia by the U.S. Subsistence Regional Headquarters, Defense Personnel Support Center. I ask unanimous consent that this resolution be printed in the CONGRESSIONAL RECORD at the conclusion of these remarks and appropriately referred.

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

The concurrent resolution was referred to the Committee on Armed Services, as follows:

CONCURRENT RESOLUTION

Memorializing the Congress of the United States to take such action as may be necessary in order to reestablish in Columbia, South Carolina, a permanent office to purchase all items which were formerly purchased in Columbia by the United States Subsistence Regional Headquarters, Defense Personnel Support Center

Whereas, the United States Subsistence Regional Headquarters, Defense Personnel Support Center of Columbia, South Carolina, has recently been transferred to New Orleans, Louisiana, and only one purchaser will remain in Columbia to purchase fresh fruits and vegetables; and

Whereas, this transfer creates a tremendous hardship and undue burden on the numerous farmers, producers and suppliers of meats, dairy products and all other items which were formerly purchased by this Columbia office: Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

That the Congress of the United States be memorialized to take such action as may be necessary in order that a permanent office of

the United States Defense Supply Agency be re-established in Columbia, South Carolina, to purchase all items which were formerly purchased by the United States Subsistence Regional Headquarters Defense Personnel Support Center which was recently located in Columbia.

Be it further resolved that copies of this resolution be forwarded to each member of Congress from South Carolina and to Major General Earl C. Hedlund, USAF, Deputy Director, Defense Supply Agency, Headquarters, Alexandria, Virginia.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

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

John E. Horne, of Alabama, to be a member of the Federal Home Loan Bank Board.

BILLS INTRODUCED

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

By Mr. KUCHEL:

S. 1895. A bill to authorize and direct the General Services Administration to make payment in lieu of taxes to the city of Sacramento, Calif.; to the Committee on Government Operations.

(See the remarks of Mr. KUCHEL when he introduced the above bill, which appear under a separate heading.)

By Mr. DOMINICK:

S. 1896. A bill for the relief of Dr. Paul S. Franco; to the Committee on the Judiciary.

By Mr. BENNETT:

S. 1897. A bill to amend the Tariff Schedules of the United States with respect to rate of duty on whole skins of mink, whether or not dressed; to the Committee on Finance.

By Mr. TYDINGS:

S. 1898. A bill for the relief of John Anthony Bacsalmassy; and

S. 1899. A bill for the relief of Ritva Butrum; to the Committee on the Judiciary.

By Mr. TYDINGS (for himself and Mr. BREWSTER):

S. 1900. A bill for the relief of Carmelo Grimaldi; to the Committee on the Judiciary.

By Mr. PASTORE (by request):

S. 1901. A bill to amend the Atomic Energy Act of 1954, as amended, and the Euratom Cooperation Act of 1958, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. EASTLAND:

S. 1902. A bill for the relief of Greene County, Miss.; to the Committee on the Judiciary.

INTRODUCTION OF A BILL TO PROVIDE EQUITY FOR THE CITY OF SACRAMENTO

Mr. KUCHEL. Mr. President, I introduce, today, legislation to rectify a grave inequity created by the General Services Administration of the United States against the city of Sacramento, Calif.

Briefly stated, in June of 1966, the Redevelopment Agency of the City of Sacramento issued $6,700,000 of tax-allocation bonds for certain municipal purposes. The bonds were issued to the public on the representation that future bondholders would be repaid, in part, from tax receipts obtained from the Federal Government on a lease-purchase agreement involving the Sacramento Federal Office Building. These representations were based on firm information made available to the redevelopment agency by GSA that the lease-purchase contract would remain in effect until fiscal year 1972–73.

In September of 1966, GSA, contrary to its former representations, purchased the property and wiped out the tax receipts that were so essential to the issuance of the bonds. This turn of events has created a severe hardship upon the city of Sacramento, the redevelopment agency, and the bondholders.

I believe that it is totally in the public interest that GSA make payment in lieu of taxes to the city of Sacramento in an amount equal to the tax receipts that would have been received had GSA stood by its original representations.

Mr. President, I send to the desk a proposal which would authorize this repayment by the GSA. I am pleased to say that the distinguished Congressman, JOHN E. Moss, of Sacramento, is today introducing a similar bill in the House of Representatives. It is our hope that this legislation will be enacted by the Congress in order to undo this severe inequity to a fine American community.

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

The bill (S. 1895) to authorize and direct the General Services Administration to make payment in lieu of taxes to the city of Sacramento, Calif., introduced by Mr. KUCHEL, was received, read twice by its title, and referred to the Committee on Government Operations.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTION

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Hawaii [Mr. INOUYE] be added as a cosponsor of the bill (S. 1217) to provide for uniform annual observances of certain legal public holidays on Mondays, and for other purposes.

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

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from California [Mr. MURPHY] be added as a cosponsor of the bill (S. 1598) to create a national commission to study quality controls and manufacturing procedures of medical devices, surgical instruments, artificial organs and limbs, therapeutic instruments and devices, and other medical and hospital equipment; to determine the need for and the extent of Federal regulation of such medical devices; to recommend to the President and to the Congress methods for determining constructive minimum performance standards, and feasible methods for Federal regulation.

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

Mr. ANDERSON. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from New Mexico [Mr. MONTOYA] be added as a cosponsor of Senate Joint Resolution 23, which authorizes the Secretary of the Interior to establish a memorial museum at Las Vegas, N. Mex., to commemorate the Rough Riders and related history of the Southwest.

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

NOTICE OF 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 Monday, June 12, 1967, beginning at 10:30 a.m., in room 2228 New Senate Office Building, on the following nominations:

Thomas A. Masterson, of Pennsylvania, to be U.S. district judge, eastern district of Pennsylvania, to fill a new position created by Public Law 89–372 approved March 18, 1966.

E. Mac Troutman, of Pennsylvania, to be U.S. district judge, eastern district of Pennsylvania, to fill a new position created by Public Law 89–372 approved March 18, 1966.

Charles R. Weiner, of Pennsylvania, to be U.S. district judge, eastern district of Pennsylvania, to fill a new position created by Public Law 89–372 approved March 18, 1966.

Milton Pollack, of New York, to be U.S. district judge, southern district of New York, vice Wilfred Feinberg, elevated.

Newell Edenfield, of Georgia, to be U.S. district judge, northern district of Georgia, vice Frank A. Hooper, retiring.

Joe Eaton, of Florida, to be U.S. district judge, southern district of Florida, vice David W. Dyer, elevated.

Ben Krentzman, of Florida, to be U.S. district judge, middle district of Florida, vice Bryan Simpson, elevated.

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.

NOTICE CONCERNING NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

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

Walter Dunbar, of California, to be a member of the Board of Parole, for term expiring September 30, 1972, vice Richard A. Chappel, retired.

Lawrence A. McSoud, of Oklahoma, to be U.S. attorney, northern district of Oklahoma, for term of 4 years, vice John M. Imel, resigned.

Robert M. Morgenthau, of New York, to be U.S. attorney, southern district of New York, for term of 4 years—reappointment.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing.

or before Monday, June 12, 1967, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

NOTICE OF RECEIPT OF NOMINATION BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that today the Senate received the following nomination:

Benigno C. Hernandez, of New Mexico, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Paraguay, vice William P. Snow.

In accordance with the committee rule, this pending nomination may not be considered prior to the expiration of 6 days of its receipt in the Senate.

RESCHEDULING OF HEARINGS OF SUBCOMMITTEE ON HOUSING OF THE BANKING AND CURRENCY COMMITTEE

Mr. SPARKMAN. Mr. President, I should like to announce that the Subcommittee on Housing of the Banking and Currency Committee has rescheduled its hearings on its study of mortgage credit.

The hearings, which were scheduled for the week of June 12 through June 16 have been rescheduled as follows: Monday, June 12; and Monday, June 26, through Thursday, June 29.

I ask unanimous consent that a revised schedule of the hearings be placed in the RECORD.

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

SENATE SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS, MORTGAGE CREDIT HEARINGS

MONDAY, JUNE 12, 1967

Panel A. Housing & Urban Development Dept., Veterans Administration, Farmers Home Administration.

Panel A–1. Federal Reserve Board, Department of the Treasury, Federal Home Loan Bank Board.

MONDAY, JUNE 26, 1967

Panel B. Mortgage Bankers Association; Life Insurance Association; Professor Jack M. Guttentag, Wharton School of Finance, Univ. of Penn.; Mr. Julian Zimmerman, Lumbermen's Investment Corp., Austin, Texas; Mr. Raymond T. O'Keefe, Chase Manhattan Bank; Mr. Walter A. Hoadley, Bank of America.

TUESDAY, JUNE 27, 1967

Panel C. U.S. Savings and Loan League; National League of Insured Savings Associations; Dr. Arthur Weimer, University of Indiana; Professor Robert Bartell, Jr., Northwestern University; Professor Eugene F. Brigham, University of California, Los Angeles; Mr. Robinson Newcomb, Washington, D.C.

WEDNESDAY, JUNE 29, 1967

Panel D. National Farmers Union; National Housing Conference; National Association of Housing & Redevelopment Officials; International Association of Credit Unions, AFL–CIO; Home Manufacturers Association.

THURSDAY, JUNE 29, 1967

Panel E. National Association of Home Builders; American Bankers Association; National Association of Mutual Savings Banks; National Association of Real Estate Boards; Mr. Arthur W. Viner, Investors Central Management Corp., New York; Mr. John Heimann, V. P., Warburg & Co., New York.

NOTICE OF HEARINGS ON S. 951, BILL TO AMEND AND EXTEND THE OLDER AMERICANS ACT

Mr. KENNEDY of Massachusetts. Mr. President, it is my pleasure to announce that on next Monday, June 12, the Special Subcommittee on Aging of the Senate Committee on Labor and Public Welfare will hold a hearing on S. 951, introduced by the distinguished chairman of the Special Committee on Aging, Senator WILLIAMS of New Jersey. S. 951 would extend the Older Americans Act of 1965 for an additional 2 years, and provide a modest increase in its authorizations for program benefiting our senior citizens. The bill has 11 cosponsors, who are Senators CHURCH, LONG of Missouri, MILLER, MORSE, MOSS, MUSKIE, RANDOLPH, SMATHERS, YARBOROUGH, YOUNG of Ohio, and myself.

S. 951 is an administration bill, having been recommended in the President's special message to Congress of January 23 of this year, entitled "Aid for the Aged." In it, the President spoke of the need for "enriching the later years," and recommended legislation along the lines of S. 951 as a means to that desirable end.

Mr. President, soon after I entered the Senate, I became interested in the series of proposals which later were enacted into the Older Americans Act of 1965. In 1964, after I had been appointed chairman of the Subcommittee on Services of the Senate Special Committee on Aging, that subcommittee conducted a series of hearings on services for senior citizens and issued a report on that subject. Our first three recommendations in that report were implemented the next year by the enactment of the Older Americans Act of 1965.

From all indications, the modest authorizations in that act have been wisely and fruitfully used since 1965 to enrich the later years of our senior citizens. This program has been as free of criticism as any new Federal program of which I have knowledge.

In enacting the 1965 act, the 89th Congress left it to the 90th Congress to determine how much should be authorized for carrying out the Older Americans Act during fiscal 1968 and subsequent years. Since the new fiscal year begins less than 1 month hence, it is important that Congress consider legislation providing the needed authorization, in order that there may be no pause in the implementation of the act at the beginning of the fiscal year.

The Special Subcommittee on Aging, of which I am chairman, has invited a group of witnesses who have a wealth of experience in the field of aging, generally, and with the administration of the Older Americans Act in particular. With their assistance, we will make a thorough study of what has been done for older Americans under the provisions of the act, and what we can expect for the future if S. 951 is enacted.

Mr. President, later this week I will release a list of the witnesses who will appear before our subcommittee.

DESECRATION OF THE AMERICAN FLAG

Mr. COTTON. Mr. President, even before the hostilities and tenseness of the present crisis, we were all conscious of the waning American prestige throughout the world. The most blatant evidence was the many instances in which our embassies, consulates, and libraries have been mobbed and destroyed, and particularly those cases when the American flag has been desecrated and burned. It is a sad fact that flag burning has more recently taken place in our own country. We can hardly hope to command respect abroad if we do not command it at home.

Within 10 days, on June 14, we shall be observing our 190th Flag Day. I note in the press that a movement is afoot in the other body to make that observance more real by reporting and acting upon a bill making desecration of the American flag a Federal offense. We have a similar bill in the Senate, sponsored by the distinguished minority leader, which is now in the Committee on the Judiciary.

I have never been one to call for precipitous action. However, Senator DIRKSEN's bill is a simple one, carrying reasonable penalties. It is true that most, if not all, States have laws to enforce respect for the flag. Nevertheless, it is our national flag, and under present circumstances, I can think of no better way of commemorating the day dedicated to it than by making intentional disrespect to it a Federal offense. It would have a good effect on Americans, old and young, if the Senate joined the House in enacting this bill on June 14.

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

Mr. COTTON. I yield.

Mr. DIRKSEN. Mr. President, twice that flag desecration bill has passed the Senate. Each time it failed in the House. Accordingly, we have waited to see whether the House would act on the bill; and if they will act, certainly, the Senate will take immediate action.

Mr. COTTON. I thank the distinguished Senator, my leader. But, with patriotism at a premium these days, I wonder if it would not be highly fitting for the Senate once more to take the lead in this matter and pass the distinguished Senator's very commendable bill.

Mr. DIRKSEN. We can do so. The celebrated Subcommittee on Charters, Holidays, and Celebrations, if it does have jurisdiction, can operate at a moment's notice, and all we need is a full meeting of the Committee on the Judiciary. I assure the Senator that the matter will receive immediate attention.

Mr. COTTON. One reason why I urge this action—I am sure the Senator will agree with me—is that the psychological effect of enacting this legislation on the 190th Flag Day of our country's history would be something well worth while.

Mr. DIRKSEN. That is a proper incentive, indeed.

THE NEAR EAST CRISIS: WORLD POWERS MUST SHOW RESPONSIBILITY

Mr. KUCHEL. Mr. President, the world awakened this morning to the stunning reality that a broad conflict has now erupted in the Near East between Arab and Israel armed forces. For 20 years, since the creation of the State of Israel, the United States through the United Nations has sought to work in concert for stability, harmony, and peace in this, the homeland of our civilization.

The war which preceded the creation of the State of Israel ended with an armistice. In the succeeding years, we have learned that this meant neither peace nor war, but an uneasy suspension of hostilities. The policing of that truce has from the very first been the job of the United Nations—in terms of supervising it, of preventing a resumption of the fighting, and of attempting to sustain and resettle hundreds of thousands of refugees.

The present crisis, I regret to say, followed a retreat from the careful arrangements prepared by the United Nations 10 years ago with the patient but firm assistance of President Eisenhower. The highly regrettable withdrawal of the United Nations Emergency Force from positions in Gaza and Sharm el-Sheikh left an opening for provocation and terrorism and for a full confrontation of opposing forces.

Mr. President, in this crisis, we must insist that the U.N. reassert its jurisdiction, if necessary, enlarge its role in this area to prevent a giant step toward the darkness of worldwide conflict. I have said earlier that the U.N. is on trial in the Near East. I add today that all nations who have any sense of world responsibility are also on trial.

All of us who fought against tyranny in World War II recognized the need for a homeland for the Jewish people after their unspeakable ordeal in Europe. The Soviet Union agreed in this design, equally with the United States, as did the United Kingdom and France. We are all morally committed to the continued existence and safety of the people of Israel. This is not inconsistent with a full measure of compassion for the peoples of the Arab world who, after decades of some highly irresponsible leadership, are now plunged into the abyss of war.

The PRESIDING OFFICER (Mr. CLARK in the chair). The time of the Senator has expired.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the distinguished minority whip be permitted to proceed for 5 additional minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection, and the Senator is recognized for 5 additional minutes.

Mr. KUCHEL. I thank the Senator.

The task of the United States, Mr. President, is to assure that the United Nations accepts the very responsibility for which it was created, and seeks to prevent a polarization of the major powers in Europe and Asia. All nations of the earth know that at the final reckoning, the United States will stand by Israel. The Arabs have always known this. But this is no reason for us to advocate or to acquiescence in the polarizing of the family of nations in this tragedy.

In recent months the United States has been trying to work toward a reorientation of world politics, away from the black and white differences of the cold war. The irresponsible actions of the Soviet Union in avoiding its duty in the present crisis suggests strongly that the Near East may now at last become a major cold war battlefield—with Arabs on one side and the Israelis on the other, supported by their respective sponsors. That is precisely what we must seek to avoid. We have long had friends among the leaders of the Arab world. We can continue to have them, but only so long as we are able to keep this crisis within the venue of the United Nations, and prevent it from falling into two world camps.

This is not merely a crisis in the homeland of civilization. It is a severe test of leadership of all nations in this strife-torn world to use the available machinery of peaceful settlement. It is time for the Soviet Union to demonstrate that it wants peace, as its propagandists have insisted. It is time for all of us to prove up on our own deep belief that diplomacy must be substituted for armed conflict.

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

Mr. KUCHEL. I yield.

Mr. COTTON. Mr. President, I wish to compliment and commend the distinguished Senator from California and assistant minority floor leader for a statement which is careful, reasoned, restrained, logical, and definite. He has rendered a real service in voicing a position on this extremely critical matter, which the Senator from New Hampshire shares and which approximates the statement he prepared and had intended to make.

Mr. KUCHEL. I express my deep thanks to the able Senator from New Hampshire.

The PRESIDING OFFICER. Is there further morning business?

Mr. BYRD of West Virginia. 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. KUCHEL. Mr. President, I ask unanimous consent that further proceedings under the order for the quorum call be dispensed with.

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

Mr. KUCHEL. 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. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

CIVIL RIGHTS—SUMMER DEMONSTRATIONS

Mr. HOLLAND. Mr. President, an exceedingly timely editorial recently appeared in the Florida Times Union of Jacksonville, Fla., under date of June 1, 1967, entitled "Violence Will Ruin Dearly Bought Gains."

The editorial calls forceful attention to the manifest unwisdom of the programs of summer demonstrations recently announced by Dr. Martin Luther King and Stokely Carmichael which, if carried out, cannot help but do great harm nationwide to the cause of improving race relations.

I ask unanimous consent to have this thoughtful editorial printed in the RECORD as a part of my remarks, for I believe it reflects the feeling of a vast majority of Americans, regardless of race, color, or creed.

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

VIOLENCE WILL RUIN DEARLY BOUGHT GAINS

Stokely Carmichael and Martin Luther King, Jr., moved into trouble spots in Cleveland, Ohio, and Washington, D.C., today, and it seems that Americans are to be doomed to another long, hot summer of useless street riots, looting and other disorders as some hot heads make trouble in the name of "civil rights."

This summer, however, there will be a marked difference, for both the agitation leaders are seeking to combine opposition to the war in Vietnam with the struggle to gain equality of opportunity in this country. The attempt will undoubtedly lose support for civil rights programs and negate the good efforts of Negroes now serving in the Armed Forces in Vietnam.

Americans have traditionally tried to present a solid front whenever our men have been engaged in armed combat overseas, but King and Carmichael, in company with some white sob sisters and soft-headed liberals, have taken it upon themselves to malign maliciously the intentions of the President and people of these United States and to attempt to reduce our defense of freedom abroad.

The only persons being hurt by the agitation against the war and the attempts to create anarchy in American streets, are the disadvantaged minority groups and the Negro servicemen who, more than anyone else, have done so much to negate arguments against equality of opportunity in this country.

During World Wars I and II, Negro troops did not gain a distinguished reputation in defense of their country. The same is generally true of the Korean War. Sociologists blamed the poor performance on a lack of personal motivation created by the belief among Negroes that they had nothing to gain from the conflict.

In Vietnam, however, the Negro serviceman has distinguished himself by gallantry under fire and heroic efforts in the rear areas. In doing so, he has wiped out the concept of race among the troops. "We're all just khaki out here," said one soldier. Khaki is the color of the Army uniform.

General William Westmoreland praised the valiant efforts of Negro troops in a speech to the South Carolina legislature and earned the men a thundering ovation. He repeated his words in a talk to the Congress.

Most opponents of proposed civil rights legislation have opposed it on the dual grounds that the acts are unconstitutional and that equality must be earned and not legislated. The Negro serviceman in Vietnam has and is earning unquestioned rights

of equal opportunity for himself and his people in this country.

Anyone who doubts that his efforts are being recognized need look no further than recent elections in Duval County where qualified Negro candidates were given general support by citizens who voted their convictions in the secret freedom of the polling places.

No one supposes that all opposition to Negroes will vanish overnight, but it is clear that old stereotypes are being broken and people are beginning to judge each other as individuals more often. The process can be reversed, however, by violence and mayhem in the streets and this is why a long, hot summer would be particularly disastrous for the Negro and this nation.

Unfortunately, King and Carmichael seem unwilling or unable to judge the true mood of the people and have embarked upon a program that must result in violence and a reinforcement of old stereotypes. Their efforts will serve no one but themselves, for only the two racist leaders are gaining wealth or status as a result of the violent and unhappy anarchy in the streets.

The PRESIDING OFFICER. Is there further morning business?

Mr. JAVITS. 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. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDMENT OF UNIVERSAL MILITARY TRAINING AND SERVICE ACT

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1432) to amend the Universal Military Training and Service Act, and for other purposes which was, to strike out all after the enacting clause and insert:

That the Universal Military Training and Service Act is amended as follows:

(1) Section 1(a) (50 App. U.S.C. 451(a)) is amended to read as follows:

"(a) This Act may be cited as the 'Military Selective Service Act of 1967'."

(2) Section 1(c) (50 App. U.S.C. 451(c)) is amended to read as follows:

"(c) The Congress further declares that in a free society the obligations of serving in the armed forces should be enforced through the provisions of this Act only when necessary to insure the security of this Nation, and the opportunities and privileges of serving in the armed forces and the reserve components thereof should be shared generally, in accordance with a system of selection which is fair and just, and which is consistent with the maintenance of an effective national economy."

(3) Section 4 (50 App. U.S.C. 454) is amended by:

(a) Inserting after the first proviso of subsection (a) the following: "Provided further, That, notwithstanding any other provision of law, any registrant who has failed or refused to report for induction shall continue to remain liable for induction and when available shall be immediately inducted.", and

(b) Adding the following new subsection (g) to read as follows:

"(g) The President shall establish a National Manpower Resources Board, which, after consultation with the National Security Council, shall periodically advise the Director of the Selective Service System and coordinate with him the work of such State and local volunteer advisory committees which the Director of Selective Service may establish, with respect to the identification, selection, and deferment of needed professional and scientific personnel and those engaged in, and preparing for, critical skills and other essential occupations. The members of the National Manpower Resources Board on professional, scientific, and critical skills shall be selected from among individuals outside the Federal Government who are outstanding in such fields and shall include, but not limited to, representatives in the fields of health resources, agriculture, industry, science, engineering, public administration, law, skilled trades, education, and transportation. In the performance of their function, the National Manpower Resources Board on the selection of professional, scientific, and critical skills and such other voluntary advisory committees as may be appointed by the Director of Selective Service shall give appropriate consideration to the respective needs of both the Armed Forces and the civilian economy."

(4) Section 5(a) (50 App. U.S.C. 455(a)) is amended as follows:

(a) Designate the existing section 5(a) as subsection 5(a)(1).

(b) Add a new subsection 5(a)(2) to read as follows:

"(a)(2) Notwithstanding the provisions of the preceding subsection, the President in establishing the order of induction for registrants within the various age groups found qualified for induction shall not effect any change in the method of determining the relative order of induction for such registrants within such age groups as has been heretofore established. However, if in the discretion of the President such a change in priority of induction is deemed necessary in the national interest, such a change may be effected provided that a determination to this effect is reported to the Congress by the President together with information justifying the proposed change. The proposed modification or change in the order of induction will then become effective on the first day after the expiration of a period of sixty days from the time such a report had been received by the Congress while in continuous session during that period: *Provided*, That Congress has not, during that period, adopted a resolution rejecting the proposed change. For the purposes of this subsection a session may be considered as not continuous only if broken by an adjournment of Congress sine die. However, in computing the period that Congress is in continuous session, days that the Senate or the House of Representatives is not in session because of an adjournment of more than three days to a day certain are not counted."

(5) Section 6(c)(2)(A) (50 App. U.S.C. 456(c)(2)(A)), is amended to read as follows:

"(2)(A) Any person, other than a person referred to in subsection (d) of this section, who—

"(i) prior to the issuance of orders for him to report for induction; or

"(ii) prior to the date scheduled for his induction and pursuant to a proclamation by the Governor of a State to the effect that the authorized strength of any organized unit of the National Guard of that State cannot be maintained by the enlistment or appointment of persons who have not been issued orders to report for induction under this title; or

"(iii) prior to the date scheduled for his induction and pursuant to a determination by the President that the strength of the Ready Reserve of the Army Reserve, Naval Reserve, Marine Corps Reserve, Air Force Reserve, or Coast Guard Reserve cannot be maintained by the enlistment or appointment of persons who have not been issued orders to report for induction under this title:

enlists or accepts appointment, before attaining the age of 26 years, in the Ready Reserve of any Reserve component of the Armed Forces, the Army National Guard, or the Air National Guard, shall be deferred from training and service under this title so long as he serves satisfactorily as a member of an organized unit of such Reserve or National Guard in accordance with section 270 of title 10 or section 502 of title 32, United States Code, as the case may be, or satisfactorily performs such other Ready Reserve service as may be prescribed by the Secretary of Defense. Enlistments or appointments under subparagraphs (ii) and (iii) of this clause may be accepted notwithstanding the provisions of section 15(d) of this title. Notwithstanding the provisions of subsection (h) of this section, no person deferred under this clause who has completed six years of such satisfactory service as a member of the Ready Reserve or National Guard, and who during such service has performed active duty for training with an armed force for not less than four consecutive months, shall be liable for induction for training and service under this Act, except after a declaration of war or national emergency made by the Congress after August 9, 1955. In no event shall the number of enlistments or appointments made under authority of this paragraph in any fiscal year in any Reserve component of the Armed Forces or in the Army National Guard or the Air National Guard cause the personnel strength of such Reserve component or the Army National Guard or the Air National Guard, as the case may be, to exceed the personnel strength for which funds have been made available by the Congress for such fiscal year."

(6) Section 6(a) (50 App. U.S.C. 456(a)) is hereby amended to read as follows:

"Sec. 6. (a) EXEMPTIONS FROM REGISTRATION AND SERVICE.—

"(1) Commissioned officers, warrant officers, pay clerks, enlisted men, and aviation cadets of the Regular Army, the Navy, the Air Force, the Marine Corps, the Coast Guard, and the Coast and Geodetic Survey; cadets, United States Military Academy; midshipmen, United States Naval Academy; cadets, United States Coast Guard Academy; midshipmen, Merchant Marine Reserve, United States Naval Reserves; students enrolled in an officer procurement program at military colleges the curriculum of which is approved by the Secretary of Defense; members of the reserve components of the Armed Forces, and the Coast Guard, while on active duty; and foreign diplomatic representatives, technical attachés of foreign embassies and legations, consuls general, consuls, vice consuls and other consular agents of foreign countries who are not citizens of the United States, and members of their families, and persons in other categories to be specified by the President who are not citizens of the United States, shall not be required to be registered under section 3 and shall be relieved from liability for training and service under section 4, except that aliens admitted for permanent residence in the United States shall not be so exempted. Any person who subsequent to June 24, 1948, serves on active duty for a period of not less than eighteen months in the armed forces of a nation with which the United States is associated in mutual defense activities as defined by the President, may be exempted from training and service, but not from registration, in accordance with regulations prescribed by the President, except that no such exemption shall be granted to any person who is a national of a country which does not grant reciprocal privileges to citizens of the United States: Provided, That any active duty performed prior to June 24, 1948, by a person in the armed forces of a

country allied with the United States during World War II and with which the United States is associated in such mutual defense activities, shall be credited in the computation of such eighteen-month period: Provided further, that any person who is in a medical, dental, or allied specialist category not otherwise deferred or exempted under this subsection shall be liable for registration and training and service until the thirty-fifth anniversary of the date of his birth.

"(2) Commissioned officers of the Public Health Service and members of the Reserve of the Public Health Service while on active duty, and assigned to staff the various offices and bureaus of the Public Health Service including the National Institutes of Health and the Coast Guard, shall not be required to be registered under section 3 and shall be relieved from liability for training and service under section 4. Commissioned officers of the Public Health Service and members of the Reserve of the Public Health Service, who prior to the enactment of this subsection had been detailed or assigned to duty other than that specified in the preceding sentence, notwithstanding the preceding sentence, shall not be required to be registered under section 3 and shall be relieved from liability for training and service under section 4."

(7) Section 6(h) (50 App. U.S.C. 456(h)) is amended to read as follows:

"(h) OCCUPATIONS: DEPENDENCY: FITNESS: EXTENSION OF AGE OF LIABILITY: AUTHORITY OF SELECTIVE SERVICE BOARD.—Except when the President finds that the needs of the Armed Forces require substantial restriction or termination of student deferments provided for by this subsection, the President shall under such rules and regulations as he may prescribe provide for the deferment from training and service in the Armed Forces of persons satisfactorily pursuing a full-time course of instruction at a college, university, or similar institution of learning and who request such deferment: *Provided,* That unless such person is deferred for graduate study under the provisions of this subsection such deferment shall terminate on completion of requirements for his baccalaureate or first professional degree, failure to pursue satisfactorily a full-time course of instruction or on attainment of the twenty-fourth anniversary of the date of his birth, whichever first occurs: *Provided further,* That no person deferred under the provisions of this paragraph shall thereafter be deferred under this subsection except for extreme hardship to dependents under regulations governing such deferment: *Provided further,* That any person who requests and receives a student deferment under this paragraph shall upon the termination of such deferment if not otherwise deferred under one of the two preceding provisos, and if qualified, be liable for induction as a registrant within the prime age group irrespective of his actual age.

"Except as otherwise provided in this subsection the President is authorized under such rules and regulations as he may prescribe to provide for the deferment from training and service in the Armed Forces of any or all categories of persons whose employment in industry, agriculture, or other occupations or employment, or whose continued service in an office (other than an office described in subsection (f)) under the United States or any State, territory, or possession, or the District of Columbia, or whose activity in graduate study, research, or medical, dental, veterinary, optometric, osteopathic, scientific, pharmaceutical, chiropatric, chiropodial, or other endeavors is found to be necessary to the maintenance of the national health, safety, or interest: *Provided,* That no person within any such category shall be deferred except upon the basis of his individual status: *Provided further,* That persons who are or may be deferred under the provisions of this section shall remain liable for training and service in the Armed Forces under the provisions of section 4(a) of this Act until the thirty-fifth anniversary of the date of their birth. This proviso shall not be construed to prevent the continued deferment of such persons if otherwise deferrable under any other provisions of this Act. The President is also authorized, under such rules and regulations as he may prescribe, to provide for the deferment from training and service in the Armed Forces (1) of any or all categories of persons in a status with respect to persons (other than wives alone except in cases of extreme hardship) dependent upon them for support which renders their deferment advisable, and (2) of any or all categories of those persons found to be physically, mentally, or morally deficient or defective. For the purpose of determining whether or not the deferment of any person is advisable, because of his status with respect to persons dependent upon him for support, any payments of allowances which are payable by the United States to the dependents of persons serving in the Armed Forces of the United States shall be taken into consideration, but the fact that such payments of allowances are payable shall not be deemed conclusively to remove the grounds for deferment when the dependency is based upon financial considerations and shall not be deemed to remove the ground for deferment when the dependency is based upon other than financial considerations and cannot be eliminated by financial assistance to the dependents. Except as otherwise provided in this subsection, the President is also authorized, under such rules and regulations as he may prescribe, to provide for the deferment from training and service in the Armed Forces of any or all categories of persons who have children, or wives and children, with whom they maintain a bona fide family relationship in their homes. No deferment from such training and service in the Armed Forces shall be made in the case of any individual except upon the basis of the status of such individual. There shall be posted in a conspicuous place at the office of each local board a list setting forth the names and classifications of those persons who have been classified by such local board. Notwithstanding any other provision of this title, the President shall, in carrying out the provisions of this title, establish, whenever practicable, national criteria for the classification of persons subject to induction under this title, and to the extent that such action is determined by the President to be consistent with the national interest, require such criteria to be administered uniformly throughout the United States."

(8) Section 6(j) (50 App. U.S.C. 456(j)) is amended to read as follows:

"Nothing contained in this title shall be construed to require any person to be subject to combatant training and service in the Armed Forces of the United States who, by reason of religious training and belief, is conscientiously opposed to participation in war in any form. Any person claiming exemption from combatant training and service because of such conscientious objections whose claim is sustained by the local board shall, if he is inducted into the Armed Forces under this title, be assigned to noncombatant service as defined by the President, or shall, if he is found to be conscientiously opposed to participation in such noncombatant service, in lieu of such induction, be ordered by his local board, subject to such regulations as the President may prescribe, to perform for a period equal to the period prescribed in section 4(b) such civilian work contributing to the maintenance of the national health, safety, or interest as the local board pursuant to Presidential regulations may deem appropriate and any such person who knowingly fails or neglects to obey any such order from his local board shall be deemed, for the purposes of section 12 of this title, to have knowingly failed or neglected to perform a duty required of him under this title."

(9) Section 10(a)(3) (50 App. U.S.C. 460(a)(3)) is amended by adding at the end thereof the following: "The Director shall also appoint a Deputy Director who shall serve under the direction of the Director and be responsible for public affairs and such other matters as may be assigned to him by the Director."

(10) Section 10(b)(3) (50 App. U.S.C. 460(b)(3)) is amended by:

(a) Inserting the following new proviso at the end of the first sentence thereof: *"Provided,* That no person shall be disqualified from serving as a counselor to registrants, including service as Government appeal agent, because of his membership in a Reserve component of the Armed Forces."

(b) Deleting the colon immediately preceding the first proviso, substituting a period therefor and inserting the following: "No member shall serve on any local board or appeal board for more than twenty-five years, or after he has attained the age of seventy-five. No citizen shall be denied membership on any local board or appeal board on account of her sex. The requirements outlined in the preceding two sentences shall be fully implemented and effective not later than January 1, 1968."

(c) Inserting before the last sentence of the subsection the following: "No judicial review shall be made of the classification or processing of any registrant by local boards, appeal boards, or the President, except as a defense to a criminal prosecution instituted under section 12 of this title, after the registrant has responded either affirmatively or negatively to an order to report for induction, or for civilian work in the case of a registrant determined to be opposed to participation in war in any form: *Provided,* That such review shall go to the question of the jurisdiction herein reserved to local boards, appeal boards, and the President only when there is no basis in fact for the classification assigned to such registrant."

(11) Section 10(b)(4) (50 App. U.S.C. 460(b)(4)) is amended by deleting the semicolon at the end of the subsection, substituting a colon therefor, and adding the following: *"Provided further,* That an employee of a local board having supervisory duties with respect to other employees of one or more local boards shall be designated as the 'executive secretary' of the local board or boards: And provided further, That the term of employment of such 'executive secretary' in such position shall in no case exceed ten years except when reappointed."

(12) Section 10(g) (50 App. U.S.C. 460(g)) is amended by deleting the period at the end, inserting a colon in place, thereof, and adding the following: *"Provided,* That the Director of Selective Service shall report, to the Congress, at least quarterly on the operations of Selective Service including such specific kinds of information as may be requested by the Congress."

(13) Section 12 (50 App. U.S.C. 462) is amended by:

(a) Deleting the last sentence of subsection (a) and substituting the following in lieu thereof: "Precedence shall be given by courts to the trial of cases arising under this title, and such cases shall be advanced on the docket for immediate hearing, and an appeal from the decision or decree of any district court or circuit court of appeals shall take precedence over all other cases pending before the court to which the case has been referred."

(b) Adding a new subsection (c) as follows:

"(c) The Department of Justice shall proceed as expeditiously as possible with a

prosecution under this section, or with an appeal, upon the request of the Director of Selective Service System or shall advise the House of Representatives and the Senate in writing the reasons for its failure to do so."

(14) Section 17(c) (50 App. U.S.C. 467(c)) is amended by striking out "July 1, 1967" and inserting in place thereof "July 1, 1971".

SEC. 2. Section 1 of the Act of August 3, 1950, chapter 537, as amended (77 Stat. 4), is amended by striking out "July 1, 1967" and inserting in place thereof "July 1, 1971".

SEC. 3. Section 16 of the Dependents Assistance Act of 1950, as amended (50 App. U.S.C. 2216), is amended by striking out "July 1, 1967" and inserting in place thereof "July 1, 1971".

SEC. 4. Section 9 of the Act of June 27, 1957, Public Law 85-62, as amended (77 Stat. 4), is amended by striking out "July 1, 1967" and inserting in place thereof "July 1, 1971".

SEC. 5. Sections 302 and 303 of title 37, United States Code, are each amended by striking out "July 1, 1967" whenever that date appears and inserting in place thereof "July 1, 1971".

Mr. BYRD of West Virginia. Mr. President, I move that the Senate disagree to the amendment of the House to the bill S. 1432 and agree to a conference with the House, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. RUSSELL, Mr. STENNIS, Mr. SYMINGTON, Mr. JACKSON, Mrs. SMITH, and Mr. THURMOND conferees on the part of the Senate.

Mr. BYRD of West Virginia. 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. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

HOSTILITIES BETWEEN ISRAEL AND UNITED ARAB REPUBLIC

Mr. JAVITS. Mr. President, I rise today with a heavy heart. As we all know, fighting has erupted in the Middle East. The breathing spell which was sought by the United States and other nations—especially by us—apparently did not produce a United Nations solution, or even an indicated hope of one. Certainly none of us here in this country desired that the breathing spell would be ended or knew when it would be ended. But we knew that the situation was extremely tense. However one may view the conflict, no American can speak of it with anything but the heaviest of hearts.

We may never know who fired the first shot in the early hours of this fateful day, but I rise today to point out that, for practical purposes, this is not the relevant question. Aggression was committed some 2 weeks ago, when President Nasser, of the United Arab Republic, evicted the United Nations Emergency Forces. And again I deplore, as our President has deplored, the precipitate—unnecessarily precipitate—decision by the Secretary General. Nasser evicted the UNEF; closed, or at least declared the closing of, the Strait of Tiran; and mobilized his own and other Arab forces along Israel's border.

Any pretense that these actions were anything but naked aggression was belied by the statements of President Nasser himself. He declared that he was at war with Israel and determined to obliterate its existence.

I think we have a right to ask, in this situation, when the world will learn to listen to these dictators and take what they say at face value, instead of putting fancy interpretations on their statements to avoid their evil intent.

Three points must be made clear.

One, the repeated warnings that war was imminent are warnings no longer. War is here. United States policy must now be crystallized——

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

Mr. JAVITS. I ask unanimous consent to proceed for 5 additional minutes.

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

Mr. JAVITS. To repeat, three points must be made clear.

First. The repeated warnings that war was imminent are warnings no longer. War is here. United States policy must be crystallized and implemented in light of the existing situation.

Second. The aggressor is the United Arab Republic, under President Nasser. I have already described the aggression. To supplement the description of the aggression, I will, in a moment or two, specifically quote some of the declarations on this subject * * * not only by our Government, but by the Government of Egypt itself.

Third. It is the duty of the United States and of other major powers, as loyal members of the United Nations, to seek through the Security Council, now in emergency session, every immediate means to achieve a cease-fire. But this time, let us be mindful of the broken pledges of 1956 and 1957 regarding access to the Suez Canal and the Gulf of Aqaba.

Let us be mindful also of the policy of the Union of Soviet Socialist Republics to foment a new arms race in the Near East, notwithstanding its earlier direct participation in assurances leading to the pullback of the forces of Israel, the United Kingdom, and France, in 1956 and 1957.

If we hold fast to those ideas, the path of the United States will become clear. I do not think it is necessary for the United States to spell out in detail precisely what it is going to do, except to repeat, as the President has repeated, the pledge and the responsibility of the United States, and the vindication of our Nation's honor. I do not think any blank checks are needed here from Congress. This is one conflict in which the people are defending themselves, and know how to defend themselves with such valor as to compel the respect, perhaps even the admiration, of the people of the United States.

Under these circumstances it seems to me our Government must proceed with dignity and propriety.

I have little doubt—and I speak only as one Senator—that when the right time comes for something to be done, it will be done, and it will be done with the support of the great majority of the Members of the Congress of the United States.

Let us make no mistake about it. This is not just another brush-fire war in the desert. The major powers have made pledges, based on their national interest, and their pledges have involved them deeply.

Let us not forget the declarations made 10 years ago, when we faced a similar situation. If carried out at that time, these pledges would have prevented the present situation. I would like to refer to them specifically.

On February 20, 1957, President Eisenhower, the most important single individual responsible for the withdrawal of the three powers at that time, said, with respect to the armistice agreement which included both the Suez Canal and the Gulf of Aqaba:

> If, unhappily, Egypt does violate the Armistice Agreement or other international obligations, then this should be dealt with firmly by the society of nations.

The "society of nations," Mr. President, means every single nation, including this Nation.

This statement was made by Secretary of State Dulles to Ambassador Eban on February 11, 1957:

> With respect to the Gulf of Aqaba, and access thereto—the United States believes that the Gulf comprehends international waters and that no nation has the right to prevent free and innocent passage in the Gulf and through the Straits giving access thereto.

Then in a news conference on March 26, 1957, Secretary Dulles said:

> You may recall that the report of the Secretary-General said that he did not think that belligerent rights should be exercised in relation to the Sharm el-Sheikh area and the Straits of Tiran, because he also shared the view that the preponderance of legal authority was that there was no right to exercise belligerent rights and to stop innocent passage through there.

On the first of March 1957, in the United Nations, Ambassador Henry Cabot Lodge, speaking for the United States, said:

> Once Israel has completed its withdrawal in accordance with the resolutions of the General Assembly, and in view of the measures taken by the United Nations to deal with the situation, there is no basis for either party to the Armistice Agreement to assert or exercise any belligerent rights.

These statements must be read in the light of the statement of the Government of Egypt on February 27, 1957, regarding the Suez Canal, in which it was stated:

> The Government of Egypt are more particularly determined: (a) To afford and maintain free and uninterrupted navigation for all nations within the limits of and in accordance with the provisions of the Constantinople Convention of 1888;

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JAVITS. I ask for an additional 5 minutes.

The PRESIDING OFFICER. Is there objection? How much additional time does the Senator desire?

Mr. SYMINGTON. Mr. President, I ask unanimous consent that the Senator from New York be given whatever additional time he deems necessary.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD of West Virginia. Mr. President, reserving the right to object, will the Senator kindly set a maximum limitation on the time requested?

Mr. JAVITS. Ten minutes.

Mr. BYRD of West Virginia. I have no objection.

Mr. JAVITS. I thank the gentleman from West Virginia.

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

Mr. JAVITS. Mr. President, it seems to me, taking these declarations together, that it is the clearly considered policy of our Government that there should be free transit, not only through the Gulf of Aqaba, but through the Suez Canal, and that the invocation of "belligerent rights" to justify Nasser's denying such freedom to Israel represents specific illegality, according to the policy of the United States, and as it construes the declaration of the Government of Egypt of 1957 which I have just quoted.

Let us remember, therefore, the actions of that great man, Dwight Eisenhower, in 1956–57 to end what could have become a world conflagration. Let us not forget that Khrushchev then threatened to send rockets to the area if the action did not cease; no one has ever argued what would have been the reaction of the United States under those circumstances. But the actions of that great man in ending that conflict have been defied and nullified by the actions which have taken place since. Time has finally caught up with President Nasser, Mr. President.

The point that must be left in the minds of the American people at this historic hour is not as to what we are going to do. We Americans have a great historic disposition as to what we do when justice is imperiled and our means allow us to something about it. The important point, Mr. President, is to clearly designate the aggressor. The aggressor is the United Arab Republic. Nasser is the aggressor, having sought to perpetrate on the world an illegal act. About Israel we need only ask the question: Is the nation which is the victim of aggression supposed to sit still and let itself be shot off the face of the earth and strangled as a nation, or must it be permitted to exercise elementary measures to assure its own survival?

Israel's Prime Minister has declared that his nation has no territorial ambitions. He did not have to make that declaration. We all know that. It is all threatened with being driven into the sea, and having its people liquidated. Mr. President, I cannot believe, no matter what are the other responsibilities and obligations of our Nation, that we will fail to meet this one squarely. We are a great and powerful nation, Mr. President, and this is the test.

There is a connection, Mr. President, between Vietnam and this Arab-Israel struggle. It is a mischievous and unhappy connection. One of the great things about matters of this kind in the world is that they come out, as it is coming out now.

We do not have to threaten anybody, or promise anything more than we have already promised. I am confident, Mr. President, of the good faith of the Government of the United States. I am a U.S. Senator, and I speak for the interests of our Nation. I am confident of the good faith of the Government of the United States in honoring the pledges of four Presidents—pledges which have received, and which I believe will continue to merit, the support of every American.

That, in my judgment, Mr. President, is enough for today.

EXTENDING THE VOTING FRANCHISE TO 18-YEAR-OLDS

Mr. McGEE. Mr. President, I wish to pay tribute to two young citizens of my home State of Wyoming, Miss Karen E. Greenfield, of Sheridan High School, and Mr. Bruce Patrick Almich, of Cheyenne Central High School. They are the winners of the annual McGee Senate internship contest. In this essay contest, the winners get the opportunity to spend a week in Washington, viewing and participating in democracy in action. They learn the ropes, so to speak, and observe at first hand the democratic processes by which our Nation is governed.

It is the kind of exeprience that most students in Eastern schools take for granted because they can easily get to Washington, the laboratory of self-government, whereas those of us from the Far West find it more difficult to send substantial numbers of young boys and girls this far. Thus, the contest is a small effort to make these advantages available to youngsters from the West.

Miss Greenfield and Mr. Almich are excellent representatives of today's younger generation. The fact that they are here as winners of the contest speaks for itself, for the competition was tough, indeed, with scholastic achievement, extracurricular activity, and an essay all entering into the judging.

The subject of this year's essay was the extension of the voting franchise to 18-year-old Americans. Both winners, Miss Greenfield among the girls and Mr. Almich among the boys, favored lowering the voting age to 18, as I do myself.

Mr. President, both Miss Greenfield and Mr. Almich were especially distinguished this year because of what I consider to be the fairminded way in which they dealt with a subject that otherwise might be viewed as a conflict of interest; namely, whether 18-year-olds should have the right to vote.

Their approach to this question seemed to me to be straightforward. Karen, for example, stressed that this age of change, of which we are all a part, requires more and more, and sooner and sooner, the necessity to reach decisions, and that therefore her generation was ready.

Bruce stressed that the Members of this body have placed emphasis upon providing the finest possible education for the youth of America, but that, even though we are providing that kind of education, we are somehow dragging our feet in permitting them to put this education to work in a responsible way. These are both excellent points to consider. I suggest that, in my judgment, the 18-year-olds of today know more, have a far better background, and are more stable and responsible at the age of 18 than my generation was at the age of 21. For these reasons, I am hopeful that we can get the voting age lowered to 18, and that others, like both Karen and Bruce, will have an early opportunity to shoulder some of the responsibilities of a younger political citizenship than we have known.

Their essays on the subject are worthy of note by all Senators. I ask unanimous consent that they be printed in the RECORD.

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

LOWERING THE MINIMUM VOTING AGE TO 18, A NECESSARY CHANGE

(By Bruce Almich)

In January of 1967, the Wyoming State Legislature, following a national trend, allowed the controversial minimum age for voting bill to die, without hearings, debate, or a vote. This outdated and archaic practice of not allowing ten per cent of our nation's voting potential to exercise the right of franchise has been continued by our lawmaking bodies, including Congress, for many years. I allude to the history of this measure, along with reasons favoring a long needed change.

First, let us consider the actual origin of the antiquated twenty-one year old voting concept, in addition to a brief history of the legislation associated with this problem. It all began with the Greek-Romanic concept of "seven-seven-seven." This school of thought divided life into three periods before maturity: Infancy, childhood, and manhood, each considered as having a seven year duration. In *The History of English Common Law*, by Pollock and Maitland, we find that there were several ages at which an English youth was considered to be mature. These ages varied from fifteen to twenty-one years and were combined with requirements ranging from the ability to count money and measure cloth, to the strength necessary for the carrying and wearing armor. The age of twenty-one, being the most prevalent was transferred to the thirteen American colonies, with minor exception of militia elections in which the minimum voting age fell to seventeen and below. Little conflict regarding a general voting age of less than twenty-one years was noted in this period.

The first American legislation for a lowered voting age was introduced in the New York Legislature in 1867, by Marcus Brickford. This early attempt to correct the problem was defeated. To date, the eighteen-year-old voting issue has been introduced in the legislatures of thirty-seven states. Ultimately, the measure was allowed to die in all of the 37 states except Georgia (1943) and Kentucky (1955). Both of these states utilized public referendum for deciding the outcome which was a lowered voting age. The action of Georgia and Kentucky indicates that the public, on the state level, is in favor of lowering the voting age.

Legislation on the Congressional level relative to the voting age issue began in 1941, with the introduction of a Constitutional amendment by Senator H. M. Kilgore. Since then, similar amendments have been brought up in virtually every session of Congress, with considerable support from both major parties, but without positive Congressional support.

Having completed a brief history of the

voting age issue, we can now logically identify the significant reasons for lowering the minimum age to eighteen years.

First, we should realize that we are Americans, a rapidly progressing, intelligent, foresighted, and free civilization which thrives on the healthy concept of democracy. We are proud of our free elections, Government representation, education, technical advancements, and our willingness to fight in order to allow less fortunate peoples to choose a democratic method of Government. Why, then, do we forbid ten per cent of our voting potential from assisting in the choice of the leaders and the policies of our country? This eighteen to twenty-one age group has full responsibilities as citizens.

Eighteen year olds are considered to be adults under the following typical conditions: Courts cease to recognize them as juveniles, they may marry without parental consent, state and federal penal codes are in full effect for them, school attendance is no longer compulsory, they may make legal and binding contracts, federal relief for them, as dependent children, is suspended, the military draft is fully exercised, and finally, many members of this age group are married, supporting a family, working, and paying full taxes. These citizens have obviously advanced beyond the age necessary to count money, measure cloth or carry armor! Many of them are carrying the adult burden and joys of a home, job, and a family, with full supporting responsibilities.

Secondy, the change of the voting age is a most logical move in recognition to two centuries of the world's finest education, which we as Americans have enjoyed. Our system of education has advanced so rapidly, that today's students often hear their parents say, "We never studied this subject . . . even in college." American History, a case in point, is taught from the lowest elementary grades through high school and college. The *Statistical Abstract* for 1966 tells us that only forty-nine per cent of our high school graduates attend college. We can, therefore, conclude that high school constitutes the termination of studies in the realm of political sciences for half of our potential voters. If we continue the practice of forbidding eighteen year olds the right to vote, the result will be disinterest and a feeling of rejection. The Honorable Edward T. Breathitt, Governor of Kentucky, supports the preceding statement by the following quote from his recent letter to me: "By permitting eighteen-year-olds to vote in Kentucky, we find a much larger proportion of young people participating in politics in our state. They attend rallies, assume leadership posts in campaigns, work in precincts, participate in class and group debates. They are less prejudiced than their parents, less swayed by special interests in their voting. Through their participation in politics and Government at a young age, I think they become better citizens."

Thirdly, it is significant to note that, according to the *Statistical Abstract* for 1966, a total of 104,300 aliens, having successfully passed a Constitutional examination, were permitted to exercise full voting rights in 1965. Yet, our eighteen to twenty-one age group must wait for the "magic age", regardless of their thorough education in the political structure of our society.

Finally, we should note an interesting group of statistics concerning the public, student, teacher, and parent opinion involving the chances of success of the lowered voting age. In a recent correspondence between the Honorable Lester Maddox, Governor of Georgia, and myself, I learned that Georgia has operated its political system successfully in respect to eighteen year old voting, for twenty-four years. Secondly, from poll results and statistics, taken by experienced pollsters, such as Gallup, we note the following: The majority of the eighteen to twenty-one group polled are in favor of a voting age change, an average of all age groups polled showed that approximately fifty-four per cent are in favor of the lowered voting age, and finally, fifty-two per cent of the members of the eighteen to twenty-one group hold political beliefs independent of their parents. This last statistic is of great importance, since it illustrates the fact that children are not likely to become "mirrors" of their parents' political beliefs.

In conclusion, we have investigated the history and several significant supporting contentions in favor of lowering the minimum voting age in the United States is eighteen years. Although I personally believe that it is difficult to set an arbitrary calendar age for voting, I strongly believe that a change from the present status quo in lowering the voting age is not only tardy, but necessary in order to preserve our dynamic, progressive, youthful, Democratic way of life.

Should the Voting Age Be Lowered to the Age of 18?

I am an American. I pay taxes, I obey the laws, and I speak English. I am literate, responsible, and free. I am a member of a generation which will soon represent the majority of the United States' population, a generation which is a major contributor to the nation's economy. We have jobs, we raise families, and we serve in the military. We are old enough to die for the rights of citizenship and democracy, but we don't share in those rights. I and the rest of the age group between the ages of eighteen and twenty-one are not citizens. We are not allowed to vote. We are denied the most basic right of a democracy because of an age-old belief that the search for knowledge and the quest for maturity both end simultaneously at the age of twenty-one, an age of magic, intrigue, and, most important of all, citizenship.

Ironically, our Government has increased its spending four-fold in the past decade to completely renovate and re-vitalize the national educational system in order that we can absorb even more of the information explosion and stretch our education beyond high school—past the age of twenty-one. And yet the very group which has favored better education and an increased momentum of learning are the ones now denying that we, the products of such intensive training, have the intelligence to vote. We are better prepared at the age of eighteen than our parents were at the age of twenty-one. We have reaped the benefits of a massive communications media which links our nation with the entire world. The fact remains, however, that we are taught the facts of civil government and international relations and told to think for ourselves; but we cannot express our views at the polls, and our knowledge must lie dormant because the status quo of the voting age is so adamantly maintained.

The knowledge that we have attained can be tested, but the maturity that every voter must possess is infinitely more difficult to divine. One thing is certain: maturity cannot be measured with a yardstick or a calendar. Maturity does not "arrive" with the age of twenty-one or any other age. Such a deep and personal process is not only gradual, but secreted in the minds and hearts of each of us. Regrettably, the age of twenty-one has become synonymous with maturity, and this stigma of voting and the associated maturity to be attained at that age cannot be easily removed. If voting stands as a guide to maturity, however, then voting participation must be a partial indication of that quality. The disheartening fact is that a third of America's citizens failed to register their maturity and their rights by voting in the last Presidenial election. Teen-agers would certainly seem more mature in comparison to adults if we were allowed to vote. Armed with a greater knowledge of civil government and world affairs and backed by enthusiasm and free expression, we would be more anxious to exert our rights and would more actively participate.

In search of quick answers and concrete proof of our maturity, however, some adults single our juvenile delinquency and say that our entire generation is immature. In so doing, they fail to see that our delinquencies are too often an integral part of their daily lives. We are surrounded by adult vices, but we are expected to be more mature than our elders and abstain. With this paradox must come the realization that maturity is not attained by everyone at any one time nor can it be reached by all. We teen-agers should be judged in view of what we, as a majority, stand for, what we have done for the betterment of our neighborhoods and our communities.

The fact that we American youth are the most civicly active of any preceding generation is the most ample evidence of responsibility and maturity. Silently, the volunteers working on Project Head Start, in special education classrooms, in VISTA, in civil rights, or in merely obeying the laws of the land show what kind of a generation we are. Dying in Vietnam or working in the Peace Corps shows the mettle of which we are made. Acts of irresponsibility may make more sensational news, but knowledgeable adults can easily testify to the uprightness of character, the determination for success, and the willingness to serve of today's youth. The immorality, irresponsibility, and listlessness of some youth should not stain the record of all of us, any more than these same traits in many adults should cause us not to lose respect for our elders.

Teen-agers are also attributed with not being "independent" enough in thoughts and deeds. Political philosophy is usually a part of parental influence, but parents themselves, as a majority, also concur with their own parents' ideas on the subject. Keeping the voting age at twenty-one did not change their outlook nor will it help to change ours. Attaining the age of twenty-one does not immediately free us from parental bonds, teachings, or pocketbooks, but the greatly increased amount of free discussion allowed and fostered in homes of today is helping to loosen the strings attached to our parents' ways of thought. We are becoming more independent, financially and politically, a trend to be welcomed, not abhorred, as a safeguard against extremism.

The most pressing issue concerning the eighteen-year-old vote is that of the conflict in Vietnam. Why should a high school graduate be drafted to fight for a government which denies him any representation? This condition of dying without voting has existed since our country's inception, but perpetuating the abuse will not rectify the wrong. If a young man is old enough to kill on the battlefield, he is old enough and independently-minded enough to cast a ballot. Military discipline will not follow him inside the voting booth.

I sincerely believe that the voting age should be lowered to the age of eighteen. This should, however, be accomplished by a Constitutional amendment and not by individual states' laws as is defined in the Constitution. Confusion and inequality are the results from such laws. The basis of our Government is equality, and the voting age should be uniform just as woman suffrage was made universal in the United States in 1920 by the Nineteenth Amendment. One state's youth should not have the right to vote when another's is denied that same right: a condition which causes a disruption of equality before the law and on the battlefield.

Let our generation stand for equality and citizenship: give us the right to vote. We

are the eighteen-year-olds emerging from the Age of Change, a swift-moving, enthusiastic change. We are the generation suffering from an ignominy faced by millions of our predecessors: that of helping shape the outcome of a war without the right to cast a ballot in support or denial of that cause. Our tax money is filling public coffers, and we cannot guide the fiscal policies of our government. We are well-educated, informed, and responsible Americans. We ask our Government to grant us our Constitutional right of expression through the vote. We call upon the nation's citizenry to recognize our plight and aid us in our cause. We are Americans. We seek to become citizens.

THE ROLE OF CONGRESS IN WATER RESOURCES DEVELOPMENT

Mr. HOLLAND. Mr. President, the distinguished Senator from Louisiana [Mr. ELLENDER], chairman of the Public Works Subcommittee of the Committee on Appropriations, was to be the keynote speaker at the annual banquet of the National Rivers and Harbors Congress, Thursday, June 1, 1967. Unfortunately, the death of his beloved brother, Willard Ellender, prevented him from giving this address, and I was asked to substitute for him.

Mr. President, I ask unanimous consent that Senator ELLENDER's prepared talk, entitled "The Role of Congress in Water Resources Development," be printed at this point in the RECORD, for I am sure that all who are interested in water resources will be most interested in the provocative remarks of our colleague, whom we know to be an authority on and dedicated to the development of the Nation's water resources.

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

THE ROLE OF CONGRESS IN WATER RESOURCES DEVELOPMENT

I am honored to be your keynote speaker at the 54th Convention of the National Rivers and Harbors Congress. Looking around, I note faces that I frequently see at "that other" Congress across town on Capitol Hill. Four Members of the United States Senate and six Members of the House of Representatives proudly serve as national vice presidents of this Congress here assembled. The importance which so many Members of the United States Congress attach to the recommendations of your organization is indicative of your significance in our legislative deliberations and the shaping of our national life. The work of the National Rivers and Harbors Congress has, through many years, helped "that other" Congress do a better job in water resources planning and in the implementation of those plans.

When I first became a U.S. Senator from Louisiana, I was already very well acquainted with water and what it could do for, and against man and his works. Louisiana is a maritime State. Its 7500 miles of navigable waterways constitute one of its most valuable assets. Most of these waterways traverse the marshes and lowlands where the State's mineral wealth lies, and as a result we have been able to develop the resources of otherwise inaccessible areas. There are three great deep-water ports in my State, and it contains more miles of navigable streams than any other State in the Nation. Is it any wonder, then, that I have given my primary efforts in the United States Senate to an orderly and prudent development of the use, control, and conservation of the land and water resources of ALL the States of this great land?

I have concerned myself with all endeavors related to the wise and prudent development of our land and water heritage. Your interests and mine in that respect are parallel.

As Chairman of the Senate Committee on Agriculture and Forestry, I have fostered programs to protect and preserve our precious topsoil, including the strengthening of our soil conservation programs. I am particularly interested in the development of small watershed projects designed to hold the rain where it falls for beneficial use, instead of letting it run off to erode our topsoil and become mere sediment in the downstream flood control reservoirs.

Serving as I do as Chairman of the Committee on Agriculture and Chairman of the Subcommittee on Appropriations for Public Works, I could not imagine myself in a more satisfying position in the Congress.

Ever since the early days of our Nation's history, Congress has had to cross swords with the executive branch to get water resources developments undertaken with Federal funds. The struggle began with some early statesmen asserting that the Constitution did not invest in Congress the power to develop commerce.

All of you here tonight are familiar with the history of American rivers and harbors and related water resources legislation. I am somewhat in the position of the preacher sermonizing to the converted, yet I think Congress' long and redoubtable role in America's water history is worthy of review at this time.

That history begins with the first Congress of the United States, which was convened on March 4, 1789. On August 7 of that same year, Congress enacted the first water resource act, providing for the establishment and support of lighthouses, beacons, buoys, and public piers which were "erected, placed, or sunk" at the entrance of, or within, any bay, inlet, harbor or port of the United States.

When the 9th Congress convened in early December of 1805—Mr. Jefferson, who made the Louisiana Purchase, was President—the House and the Senate were concerned with laying out and making a National Road from Cumberland, Maryland, to the State of Ohio, a Chesapeake and Delaware Canal, and a canal around the Falls of the Ohio (in the vicinity of Louisville, Kentucky). Many Members of Congress favored Federal backing of these projects, and in 1806 the Cumberland Road was authorized for Federal construction.

In 1807, two proposals for the aforementioned canals were before the Congress. It was proposed that grants of western lands would be exchanged for stock in private canal companies, thus making their construction a joint Federal-private project. Senator John Quincy Adams, of Massachusetts, a consistent opponent of Federal participation in internal improvements during the years before he became President, opposed them on the grounds that fraud and collusion could result among the States getting Federal aid for "local projects." His arguments prevailed and the legislation was not passed. However, proponents of the projects set out to get a resolution passed that would call for studies and reports on the two projects by Federal commissions. The resolution was agreed to by the Senate on March 2, 1807, and became the authorization for the Secretary of the Treasury, Albert Gallatin, to prepare his "Report on Roads and Canals," which the Senate received on April 4, 1808.

The Gallatin Report consisted of a detailed survey of the existing arteries of transportation in the United States and suggested an overall plan for improving the means of transportation between the several sections of the country. Unfortunately, the Gallatin Report was laid aside—possibly because its cost figures ($20,000,000) were too astronomical for the times and Gallatin's concept too broad. Someone has remarked that it was presented 100 years too soon.

John C. Calhoun in mid-December of 1816 introduced in the House of Representatives a resolution "to inquire into the expediency of setting apart the bonus, and the net annual proceeds of the National Bank, as a permanent fund for internal improvement." Calhoun argued vigorously that Congress had the constitutional right—and duty—to look into all domestic affairs, and he said that "internal improvements was not exceeded in importance by any." The resolution was adopted, but President Madison vetoed it with the argument of "constitutionality." Madison told the Congress that he recognized the great importance of canals and improved navigation but he felt that an amendment to the Constitution specifically ascribing such powers to the Congress was a prerequisite to the enactment and approval of such legislation.

Congress did not retreat. When President Monroe succeeded Madison and sent up his message to the 15th Congress, Monroe also recommended that Congress work out a constitutional amendment that would specifically give the Congress power to provide for navigation legislation. Henry Clay responded by saying that Congress already *had* such power. A bill almost identical to the one vetoed by Madison was narrowly defeated of passage after ten full days of debate in March of 1818. By this time, the "constitutional issue" had become such a battle-royal for supremacy in this area between the legislative and executive branches that it was felt wiser to await a judicial ruling.

The steamboat had arrived on the American scene about this time, and efforts toward monopoly of State waters for navigation developed. In New York State, for example, the legislature enacted statutes granting to Livingston and Fulton, the steamboat inventors and business partners, the exclusive right of navigation by steamboat of all waters within that State. Other coastal States passed similar laws. Then Chief Justice John Marshall handed down the most famous of all decisions on the "Commerce Clause" of the United States Constitution. Justice Marshall said:

"The power of Congress . . . comprehends navigation within the limits of every State in the Union so far as that navigation may be, in any manner, connected with 'commerce with foreign nations, or among the several States, or with the Indian Tribes'. . ."

The "constitutional" right and power of Congress to legislate on navigation anywhere in the Nation was therein recognized by the Supreme Court. In 1824, $115,000 was voted by the national legislature for navigation work, and regular appropriations have been made annually ever since.

The struggle about Congress' right to legislate in water resources development was not over, however. Andrew Jackson as President (1827–1834) believed, as did his predecessors in the White House, that a constitutional amendment was necessary before Congress could pass legislation to construct a *national* system of improvements. Jackson vetoed several "internal improvements" acts, calling them "local enterprises."

President Van Buren, following Jackson in the Presidency, was an even stricter "constructionist" on internal improvements, and for all practical purposes, internal improvements came to a halt during his administration.

But it took more than a Jackson and a Van Buren combined to silence the din and debate in Congress. When President Tyler succeeded Van Buren, Tyler recommended in his 1843 message to the Congress that appropriations for harbors *should* be made, but *only* for *western* harbors. Promptly and defiantly, Congress passed appropriations bills for both western *and* eastern harbors. Tyler

vetoed the eastern harbors bill and accepted the western harbors bill.

Congress likewise "went to war" with President Polk, who consistently vetoed internal improvements bills that Congress sent to him in 1846 and 1847. Finally, in 1854, a river and harbor bill was enacted over the veto of President Pierce.

In 1865, after nearly a hundred years of infighting between the Executive and Congress about who had the right to provide for national water transportation and related projects, the Supreme Court ruled once again that only Congress had the power to regulate commerce and control and improve navigable waters. In 1866, Congress ultimately succeeded in getting President Andrew Johnson to sign a rivers and harbors bill. And so the "constitutional" debate was closed.

Throughout our history, Congress has had to fight to carry out its Constitutional authority. Nowhere has this been more apparent than in the area of water resources. The struggle for flood control began much later than that for navigation. But it, too, has been a long and difficult task. The chief opposition to Federal flood control has centered around the "local" character of flood protection.

However, under the Swamp Lands Acts of 1849 and 1850, Congress granted unsold swamp and overflowed lands to Louisiana, Arkansas, and other flood-prone States. The idea was that the state legislatures could sell the grants and use the proceeds for drainage, reclamation, and flood control. In 1850 the Congress also moved successfully to authorize comprehensive studies of the Mississippi River. The Humphreys and Abbot report, filed in 1861, is still useful for a knowledge of the Mississippi and its tributaries.

When the Civil War came, a lot of comprehensive work for flood control was under way, but many levees were destroyed in the military conflict. At the conclusion of the War, there was a clamor in the Congress and throughout the country for flood control legislation. In 1867, the Senate Finance Committee recommended the expenditure of $3 million in Federal aid to build levees along the lower Mississippi River. It was approved.

In 1874, the first substantial and constructive flood control measure passed Congress. It was an act that provided for a commission of engineers to investigate and report on a permanent plan for the areas of the Mississippi that were flood-prone. This particular legislation grew out of the terrible suffering and damage which spring flooding brought that year.

By 1874, Congress had so firmly established its hard-won right to legislate on *navigation* improvements that, until 1890, most flood control levees received appropriations that were described as being for "navigation improvements and incidentally for flood protection." By 1917, flood control was *called* "flood control" and dealt with as such.

On March 1, 1917, Congress authorized $50 million for flood control on the Mississippi and Sacramento Rivers. Then came the Flood Control Act of 1917, wherein Federal-local cost sharing made its debut.

As often happens in many areas of national and personal life, disaster such as that suffered in the 1927 and 1928 floods brought the acceptance of full national responsibility for future flood control. The resulting "omnibus rivers and harbors and flood control" bills are now recognized as prudent investments of Federal funds in the development and use of our God-given natural resources.

In connection with flood control, I should mention the small watershed protection program carried out by the Department of Agriculture. It is concerned with controlling runoff and soil erosion in small watersheds all over the country. The Flood Control Acts of 1936 and 1938, and the Watershed Protection and Flood Prevention Act of 1954, with its subsequent amendments, set up a most useful Federal-local corollary program to the flood control work of the Corps of Engineers. I am hopeful that this small watershed program will be more comprehensive and more fast-moving in the future than it has sometimes seemed in the past.

I shall not go into the other major historical areas of Congressional interest in water resources development, except to mention such milestones as the acts authorizing reclamation of arid lands, the generation of hydropower, Tennessee Valley Authority, the control of water quality and water supply, and, most recently, recreation and saline water conversion.

Congress has "carried the ball" on all of these water resources programs. The Executive Branch reacted adversely to practically all of them when they were first proposed. In the early years of the Republic, the Executive objected on "constitutional" grounds. In more recent years, the voice of the Bureau of the Budget has raised objections to Congressional initiative in more subtle ways. The Budget Bureau, acting for and through the Executive, seems to me to be continually trying to take more authority unto itself. Out of fiscal 1968 Federal budget totals of $135 billion, Congress will have *some* control over only $30 billion, or 22 percent of total Federal expenditures. I might interject here that less than two percent of the total Federal Budget is allocated to water resources development. The Budget Bureau has a large degree of control over the expenditure of funds for water programs expressly authorized by Congress, but not recommended by the President. Increasingly, the Budget Bureau seeks to inject itself into the realm of national policy, including water resources policy, and this is clearly the domain of the Congress. It is a trend that I have said time and again I hope to see altered.

Charles L. Schultze, the present Director of the Bureau of the Budget, regards the entire budgetary process as an exercise in "making choices" about which programs will move ahead, which ones will be deferred, and which ones will be left to stagnate. Of course, choices *do* have to be made, but the appointed bureaucrats in the Budget Bureau are not the ones who should make them. I strongly believe that Congress should vigorously reassert itself in the budgetary process and assume greater control over all Federal spending programs. As chairman of the Senate subcommittee on public works appropriations, I assure you that I work toward this goal.

For example, in the most recent hearings on proposed Corps of Engineers projects, I found that tremendous recreation benefits were included in some of the projects to make them appear economically feasible—to get the benefit-cost ratio up to where it would look like a sound and sensible project to construct out of public funds. I am still of the opinion that public works projects should be directed primarily toward navigation and flood control of such scope that the local governmental bodies do not have the means to carry them out. I do not believe we should authorize a great big Federal program of public works projects wherein as much as 90 percent of the benefits on individual projects are for recreation.

If projects are constructed primarily for recreation, local people should pay a good deal of the cost. If local people cannot, or will not, pay a large part of the costs of a project where the primary objective is to provide recreation—like swimming, fishing, and hunting—then I think such projects should be deferred, and projects that protect the land and the homes and lives of people should have priority.

When a public works appropriation bill is reported and brought up for action on the floor of the Senate, I endeavor to "balance" the bill between the Administration requests and taking care of worthy areas not included in the Budget Bureau's estimates. Public works appropriations, in my judgment, should reflect the indispensable water resources needs and problems of the country. A reasonable number of new construction starts should be included in the Budget each year to meet the growing and dynamic needs of the country.

The story of water resources development in the early years, as in the present day, is one in which the Congress has had to carry on a long and stubborn struggle to implement its *right* to make determinations and to give sound direction to programs. It has consistently been the Congress that has had primary responsibility—and determination—to provide for a general, national development of water transportation, flood control, hydropower, and other benefits. The American water development story is full of instances of fierce opposition from the Executive Branch, as I have pointed out tonight. Only through the tenacity, idealism, conviction, and courage of the Congress, who are *elected* representatives of the people, has it been possible to secure authority to act in this area of national interest. Speaking for myself, I have supported the fight for this inviolable authority of Congress through all my years in the Senate—and I intend to continue to resist any attempt at usurpation by the Executive Branch through artifice or subterfuge. On many occasions, I have asserted my duty as a member of the United States Senate to express my views with respect to trivial and insubstantial schemes to weaken the basic and historical purposes of water resources programs.

Without the courageous persistence and foresight of the Congress, there might not be today our abundant supply of hydroelectric power; there might not be any water for the irrigated lands in the seventeen western States; there might not be effective control of floods in the alluvial valleys of great American rivers such as the Mississippi and Missouri. The Columbia, the Tennessee, the Colorado, and the Rio Grande Rivers might never have been harnessed for the benefit and profit of the American people. Our extensive and efficient water transportation routes might not be available to use in war and in peace.

The United States Congress, in its myriad water resources enactments, has helped to guide this Nation to a noble destiny, unmatched in history. The National Rivers and Harbors Congress has given us invaluable assistance, and we thank you. May our common interest continue to commit us to a future of even more notable accomplishments in developing sound water resources policies, programs, and projects for America.

TRIBUTE TO VICE ADM. HOMER NORMAN WALLIN

Mr. YOUNG of North Dakota. Mr. President, North Dakotans have always been very proud of their native-born sons who have made good in all walks of life. On May 27 a fine example of this occurred at the annual commencement of Jamestown College which is located in Jamestown, N. Dak.

During the commencement exercises an honorary degree of doctor of science was awarded to Vice Adm. Homer Norman Wallin, retired, who was born in North Dakota and received his secondary education at Jamestown College Acad-

emy. A citation prepared by Dr. Alex C. Burr, past president of the Jamestown College Alumni Association, describes many of the achievements of Admiral Wallin. His most notable accomplishments include the raising of the fleet at Pearl Harbor, the maintenance of the fleet in the South Pacific during World War II, and the refloating of the great battleship *Missouri* when it grounded in Chesapeake Bay. Admiral Wallin has had a distinguished career and the people of North Dakota take pride in claiming him as a native-born son.

Mr. President, I ask unanimous consent that the full text of this citation be printed in the RECORD.

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

CITATION FOR VICE ADM. HOMER NORMAN WALLIN

Mr. President, by independent action of the board of trustees and of the faculty of Jamestown College, a son of this institution is being honored today, and by his presence on this platform is, in turn, honoring us.

Eighty years ago instruction began on this campus. Over that period of almost a century a continuous flow of graduates and former students have served the Nation and our Government. They have served with distinction in all branches, including the armed services. We have been honorably represented in the Spanish-American War, the Philippine Insurrection, the Mexican border incident, World Wars I and II, the Korean conflict, and now in Viet Nam. Jamestown College is honoring today one of this group, not only as a representative of that distinguished body, but also because of his outstanding personal contribution, over half a century, to the Navy and of the United States.

Fifty five years ago this very season, a youth born and reared in Washburn, North Dakota, completed his secondary education in Jamestown College Academy. As was the custom in those days, he participated in the commencement exercises, speaking on the topic: "Despotism and Democracy." With unerring insight, he put his finger on one of the continuing problems of this world, and in the half century following his initial analysis he has devoted his efforts to converting this early estimate of the future into the history of our day. Few men have held as tenaciously to an ideal.

Appointed to the United States Naval Academy he was graduated in 1917 from a shortened course to serve in World War I. His initial record brought him the Navy Cross—the first of many major awards. Following this service he was ordered to Massachusetts Institute of Technology for graduate work in naval architecture, receiving his master of science degree in 1921.

His record from this time on is one of wide experience, increasing responsibility, and continuing recognition. He has served at six of our Navy yards, and has served as commandant of four of them—two on each coast.

His various tours of duty in Washington culminated in his being the sixth and last chief of the Bureau of Ships. Upon the creation of the Department of Defense, he was appointed Coordinator of Shipbuilding, Conversion, and Repair.

At the time of our entrance into World War II, he was serving as material officer on the staff of the commander of the battle force of the Pacific fleet. For the salvage of the fleet at Pearl Harbor he was awarded the Distinguished Service Medal. The citation read in part: "Through his tireless and energetic devotion to duty, and benefiting by past experience, he accomplished the reclamation of damaged naval units expeditiously and with success beyond expectation, thereby sustaining the highest traditions of the United States naval service."

For later service as force maintenance officer of the South Pacific Force, he was awarded the Legion of Merit "For exceptionally meritorious service", when, "with unerring judgment and excellent foresight" he "directed the salvage and repair of numerous battled—damaged ships"—"his skill, resourcefulness and courageous leadership were an inspiration to the men under his command and contributed in a major degree to the accomplishment of an extremely vital and hazardous undertaking."

Time does not permit of the recounting of other services and other honors. There are many, suffice it to say that a career begun on this campus fifty-five years ago reaches a new peak today. Trained in three of the outstanding institutions of the country, his career forged in the preparations of peacetime and tempered in the fire of combat, and honored by a grateful nation, he returns to us today as the first and only North Dakotan to hold his present rank.

Mr. President, it is a privilege to present to you Vice Admiral Homer Norman Wallin, retired, as a candidate for the degree of doctor of science—an honorary degree from our point of view, and yet truly earned by a half century of devotion to participation in the continuing conflict between "depotism and democracy."

A SMALL, SIGNIFICANT VICTORY

Mr. MONTOYA. Mr. President, in the war against poverty, total victory may not be achieved in 5 years or 10 years or even in our lifetime. But it is already being won in individual cases throughout the country.

One such case is that of an 18-year-old Albuquerque youth, Johnny Padilla, who had just about everything stacked against him before getting a new lease on life through the Neighborhood Youth Corps.

Deaf, unable to speak since birth, a seventh-grade dropout, Johnny is now a "very good" maintenance worker for the city of Albuquerque. He is working hard to prepare for a more productive life.

And that is what the federally funded Neighborhood Youth Corps is all about. It gives young people an opportunity to get a new start on life as they contribute to community betterment.

Johnny Padilla represents one of hundreds of thousands of heartwarming success stories being unfolded wherever the Neighborhood Youth Corps is operated across the country.

I ask unanimous consent to have printed in the RECORD an article published in the Albuquerque, N. Mex., Journal that recounts the story of Johnny Padilla.

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

EXCELLENT PERFORMER AS METER REPAIRMAN—NEIGHBORHOOD YOUTH CORPS FINDS RIGHT SPOT FOR DEAF BOY

(By Pat Lamb)

Johnny Padilla, 18, who found employment with the City of Albuquerque through the Neighborhood Youth Corps has turned out to be one of the most capable and hard-working youths in the program.

But Johnny's excellent rating means even more because he has been deaf and unable to speak since birth.

Johnny, son of Mrs. Ernest Ortega, 1417 Adams NE, and Johnny Padilla, 2443 Black Mesa Loop SW, works as a water meter repairman in the city's shop adjacent to the Albuquerque Police Academy. He cleans up the meters and performs general maintenance work around the shop.

Through the help of the Neighborhood Youth Corps here (not associated with the Job Corps), Johnny was given a job with the city two months ago. The corps helps to place high school drop-outs and other needy youth in positions where they may gain work experience so they may continue their education.

PLACING WASN'T EASY

But placing Johnny wasn't easy, said Orlando Sedillo, assistant project director of the NYC.

Afflicted with a nerve deafness which also affected his speech since birth, Johnny attended the New Mexico School for the Deaf in Santa Fe. He dropped out of school when he was 16, however, with a seventh grade education.

His mother said Johnny first worked as a cook, but didn't like the job. A friend and his brother, who also works for the city, suggested he inquire about the NYC program.

When the boy applied, said Sedillo, "We didn't know just what to do with him." He obviously couldn't work outside where he would be in danger from not hearing something which could injure him, Sedillo pointed out.

RETIREMENT OPENED DOOR

The NYC office finally got an idea when they heard of the retirement of an employee, also deaf and unable to speak, who worked at the meter repair shop.

After NYC contacted shop manager John Nieto, he said he'd give him a try—and evidently it was a lucky move for Nieto.

Nieto said the youth is a "very good" worker, who learns quickly at the shop.

"Sometimes he even knows what I'm going to tell him," Nieto related, "before I start to show him."

GETS ALONG WELL

Bright-eyed and intelligent looking, Johnny gets along nicely with his fellow employees, is neat and clean, and has never been late to work.

Communication at work is carried on in several ways, Nieto said. The boy knows the sign language (there is a poster on the bulletin board at the shop showing hand positions for letters, which Johnny brought). He can read lips fairly well, he can read notes written him, "and sometimes I just show him," Nieto added.

Perhaps the best indication of the successful work the youth has done is Nieto's desire to have Johnny work with him full time when he completes the NYC program in about four months.

Johnny is just one of many Albuquerque youths who have been helped by the federally-funded, City of Albuquerque-sponsored program.

The NYC launched about two years ago, provides a part time work experience program and an incentive to improve the education of the participants. Applicants enroll in the program for six-month periods.

In addition to the placement of youths in jobs, the NYC also holds special group training sessions every payday.

Anthony G. Mance, training co-ordinator for the NYC, said Johnny is always on hand for the sessions.

"He doesn't always know what's going on," Mance explained, "but he is always attentive, well-mannered and gets something out of the sessions."

Johnny's mother said he is happy with his new job and he hopes he will be able to start work full time there when he finishes the part-time program with the NYC.

Johnny has overcome his handicap, and by doing so has helped not only himself, but

others too. He is a model participant in the NYC program, Mance said, and will provide an incentive for other youths.

"The NYC has an excellent program," Mance said, "and this boy epitomizes the whole thing."

PRESERVATION OF PEACE IN THE MIDDLE EAST

Mr. SCOTT. Mr. President, the serious crisis in the Near East has caused serious concern throughout this country and the world. The Council of the City of Philadelphia on May 25 unanimously adopted a resolution memorializing the President of the United States to use his good offices to preserve peace in that area of the world and to insure the security of Israel.

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

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

RESOLUTION 319

A resolution memorializing the President of the United States to use his good offices within the Government and the United Nations to preserve peace in the Middle East and insure the security of Israel

Whereas, the current crisis in the Middle East occasioned by the massing of troops and military armor along the Arab-Israeli border is fraught with the imminent danger of war; and

Whereas, the withdrawal of the United Nations peacekeeping force from the Israeli-Egyptian border heightens the danger of open conflict resulting from some provocative incident and aggressive action; and

Whereas, the mounting tensions in this area of the Middle East pose a serious threat to world peace, making the presence of a United Nations Emergency Force more necessary now than ever before; therefore

Resolved, By the Council of the City of Philadelphia, That we hereby memorialize the President of the United States to take all possible steps within the Government and the United Nations, to stabilize and preserve the peace in the Middle East.

Resolved, That certified copies of this Resolution be forwarded to the President of the United States, the Senators from the Commonwealth of Pennsylvania and the Congressmen representing Philadelphia in the House of Representatives.

EQUAL EMPLOYMENT OPPORTUNITY AT CUMMINS ENGINE CO.

Mr. BAYH. Mr. President, it is gratifying to realize that the concept of equal employment opportunity once alien to a large part of our business community, has become in our time an American standard. Businesses throughout the country proudly advertise themselves as "equal opportunity employers," and members of minority groups are finding it increasingly easier to find work that suits their ambitions and abilities.

Some employers, however, have given little more than lipservice to the essential elements of equal opportunity. In these cases equal opportunity remains a mere facade or even an outright hoax. I am pleased to report that Indiana's Cummins Engine Co. taking the opposite approach, has instituted a positive and constructive policy of equal opportunity employment which goes far beyond tokenism.

In a recent issue of the Labor Department's Employment Service Review, Henry W. Abts, vice president of Cummins, discusses his company's philosophy and approach to this problem. I ask unanimous consent that the article, entitled "A Positive Policy," which clearly describes the experiences of this company in attracting and hiring Negroes, be printed in the RECORD at the conclusion of my remarks. I especially call the attention of Senators to the seven conclusions Mr. Abts formulates at the end of the article.

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

[From the Employment Service Review March–April 1967]

A POSITIVE POLICY

(By Henry W. Abts, vice president, Personnel, Cummins Engine Company, Inc., of Columbus, Indiana, manufacturers of high speed diesel engines)

In 1965, Cummins became the first business corporation to hold recruiting interviews on the Tougaloo campus. We had made a substantial financial contribution to the institution for the long-range planning necessary to upgrade the facilities, the faculty, and the curriculum. The Vice President of Personnel became a member of the Board of Trustees and a member of his staff joined the Planning Committee.

Almost immediately after these activities were made public, our Jackson, Miss., distributor informed us of a cancellation of an order for 35 engines from a local customer. He feared a general boycott of Cummins engines. The response of our Board Chairman, J. Irwin Miller, was: "Cummins has worked to improve the atmosphere of human relations throughout the country for many years . . . and the aid to Tougaloo is a part of this commitment . . . we are firmly convinced that such efforts help the Company in the long run."

To attract Negroes from outside the company, we made a special effort to alert college placement offices and employment agencies that we wanted to have a look at all qualified candidates available, regardless of race, religion, or nationality. We also informed various Negro leaders and organizations of our desire to hire qualified Negroes. In 1963, we were able to recruit a college graduate for our Public Relations staff, the first such direct Negro recruit at this level.

During the 1964–65 school year, we held interviews on the campuses of three predominantly Negro colleges in the South. As a result, in June of 1965 we added three more young Negroes to our management training program, one of whom was placed in our foundry operation in South Bend.

Hiring Negroes for management positions has created some difficulties for us in Columbus. In 1963, when we hired our first Negro management trainee, there was only one sizable apartment development in town. Since we referred many of our newly hired personnel to this development, we decided to treat our new man just as if he were any other newly hired Cummins employee.

When he went to the development office to sign his lease and pick up the apartment keys, it was apparent that his color was something of a surprise. He was treated cordially, but told that the person who had to sign the lease was "not in the office."

The Vice President of Personnel and a member of his staff went immediately to the development office to talk with the manager, who informed them that he and his associates were disappointed that Cummins had not said that the prospective tenant was a Negro. He insisted his opposition was based solely on economic grounds, because he was likely to lose many tenants if he rented to a Negro. We replied that we were most interested in this man's receiving an apartment and that if he were admitted, we would continue to refer our employees to his development. He reluctantly agreed and signed the lease. As it turned out, there were no problems of any kind.

Our interest in Equal Employment Opportunity is complete. As a result of our experiences we have drawn the following conclusions:

Equal Employment Opportunity is based on managerial attitude. We must want to hire Negroes, not just because it is the law, but because we feel it is the right thing to do.

We must keep in mind that the decision to hire Negroes, or to upgrade them is not based on employees' views, or the views of customers, suppliers, or competitors. The decision is ours.

If we proceed into the program with firm conviction, our people will probably go along. We must assume their consent, rather than ask for it.

We need to be persistent in seeking qualified Negro employees.

In hiring, we must look ahead to the time when this man is to be upgraded. He will expect to be upgraded to the level of his ability. By the same token, if he does not work out, we have a responsibility to discharge him. To fail in this is also discrimination, although of an opposite nature.

We must give our Negro employees something meaningful and necessary to do; we cannot just locate them conspicuously for display purposes.

We must be willing to go the extra mile at the outset—can our new Negro employee locate housing, can he eat at the restaurants where we eat, stay at the motels we use; and so forth. We must help in these areas.

THE CHRISTIAN SCIENCE MONITOR LOOKS AT PROBLEMS OF OLDER AMERICANS

Mr. KENNEDY of Massachusetts. Mr. President, writers for the Christian Science Monitor have contributed many thoughtful and influential articles dealing with social problems of our times. I am proud that this great newspaper has its headquarters in Massachusetts.

On April 27, the Monitor published the second of three articles dealing with problems of older Americans. The author, Mr. David Holmstrom, described the help that senior centers give to older Americans who might otherwise endure bitter isolation. Mr. Holmstrom also defines the differences between happiness and unhappiness in old age: Mr. Halpert, he writes, "thinks the differences between being old and unhappy and being 'a senior citizen' and unhappy is a receptivity to the possibilities in the world."

As chairman of the Subcommittee on Federal, State, and Local Services of the Special Committee on Aging, I find that statement very helpful in my thinking about the purposes of programs for older Americans. I believe that—in the words of an article in a recent edition of the Boston Center Topics—

It is more and more realized how much ability, knowledge, and wisdom is being wasted in older people retired from their occupations who have so much free time. . . . What they need is the opportunity to do something that will attract their interest, give them an aim to strive at, a purpose to accomplish.

Mr. President, I think that Mr. Holmstrom's article should receive widespread attention. I ask unanimous consent that it be printed in the RECORD.

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

[From the Christian Science Monitor, Apr. 27, 1967]

ROLE TO PLAY—A SENIOR CENTER IS RENEWAL

(By David Holmstrom)

BOSTON.—Richard Halpert hasn't been to a movie in 20 years. Nor does he own a television set. But he reads a lot, and now and then a movie could be inviting, or a comfortable chair to watch a good documentary on educational TV.

But living on $132.65 a month doesn't encourage extravagance. It cuts daily life down to the essentials.

Under the circumstances Mr. Halpert outdoes most other men his age (76) in surmounting the problems of retirement, old age, and loneliness. His attitude could well serve as a model to other elderly citizens because he has always been active and alert.

His large apartment, up three flights of stairs in an old red-brick building in Boston, is spartan and quiet. He moves through his home carefully and deliberately. He is a small, thin man with sparkling gray eyes.

MARKET WATCHED

When he came to this country 44 years ago from Germany, as a young World War I veteran, he went to work in a chocolate factory near Boston. After several years of "working at chocolate" he eventually became the manager of a grocery store owned by a large company. He retired in 1955 with a few thousand dollars in savings. His wife passed away in 1965 after several years of illness.

He receives a pension of $24.45 a month from his former employer and $108.10 a month in benefits from social security. Occasionally he makes a small profit from buying and selling shares on the stock market by using his savings carefully. But he has no other income.

SOYBEAN MEAL USED

Rent is $72 a month. Usually he allows himself $7 a week for food "but prices are too high now," he says, and calls eating "a bad, expensive habit. I'm not fond of meat and I don't have too much interest in cooking." He speaks with a noticeable German accent and now and then searches for just the right word.

Several years ago he learned of a firm in Chicago which processes a nutritious soybean meal for consumption in underdeveloped countries.

Every few months now he orders two large cans of the meal and uses the mixture in his evening meals. It is granular, nearly tasteless, but something like eating starch and old bread. Mixed with a creamed soup or other ingredients he says it makes a substantial, if not appealing, meal.

He is usually up by 5:30 every morning and has a breakfast consisting of cereal, a banana, one slice of bread, a boiled egg, crackers with jam, and cocoa. "I go for the expensive kind," he says and holds up a can of imported cocoa.

READING ENJOYED

His apartment is well furnished with old but clean furniture and he does the household work himself. Just recently he spent money on some new winter clothes, the first clothes he had purchased in years. At the same time be bought a pair of shoes for $6.60—a "real bargain," he says.

Most of his enjoyment comes from reading magazines and books and he has done some writing. "I like to write," he says. "I get in print very seldom." Eagerly he shows his clippings and tells of his interest in languages and Biblical archaeology.

Last year after taking a walk through the Boston Fenway, he wrote a firsthand account, submitted it to a local magazine and was pleased to see it published. He subscribes to National Geographic and Forbes magazines and listens to the radio.

"I have no time to sit around on park benches and talk about illnesses with other men," he says waving his hand toward the window and street below. Every day he tries to spend two hours outside walking. Often he goes to the Boston Museum of Fine Arts to pursue his interest in archaeology.

CENTER DISCOVERED

For lunch he has two slices of bread with cheese, a beverage and a piece of cake. He never eats out. "I can't afford it," he says. In the afternoon he likes to snack on macaroons and a piece of chocolate. "I'm very much for chocolate," he says smiling.

Recently, through contact with a newly formed Boston Center for Senior Citizens, his life has taken a new turn. The center, within walking distance of his apartment, is funded by a $90,000 grant under the Older Americans Act of 1965. It is a trial project which, if successful, will serve as a model for other centers.

Through its permanent and volunteer staff it encourages older people to come together for friendly, meaningful activity. Local contributors include the Episcopal Diocese, First Baptist Church, The First Church of Christ, Scientist, Permanent Charity Fund, Inc., Saint Ann's Paulist Fathers, Church of the Advent, and Trinity Church.

NEWSPAPER PRODUCED

Mr. Halpert was asked to write the center's first edition of the "Boston Center Topics." On the front page of the mimeographed newspaper he outlined the general purpose of the center:

". . . it is more and more realized how much ability, knowledge, and wisdom is being wasted in older people retired from their occupations who have so much free time on hand with which they don't know what to do. What they need is the opportunity to do something that will attract their interest, give them an aim to strive at, a purpose to accomplish. Leisure time, which is one of recreation, to look forward to when one is usefully occupied, hangs heavy on them, a burden from which to escape is a hopeless wish."

Perhaps more important to Mr. Halpert than the chance for increased activity is the pay he will receive for the work he will do for the center.

"In a way," he says, "I am glad to be busier, but in a way, no. I have so many interests on my own. But I want to do something for the common good, so I have involved myself."

For attending a two-week training course on how to more effectively approach other older people and introduce them to the possibilities of the center or offer other aid, he earned $28 a week. Once the center is in full swing he will earn $80 a month for doing 30 hours of work a week.

But for others, less independent than Mr. Halpert, a center is a vital meeting place where friendship and activity replace the loneliness and wasted days of living in large cities. It also serves as a middleman when personal needs or problems have to be solved through community or government agencies.

RECEPTIVITY CITED

"One man," said Mr. Halpert, "a former railroad man, didn't know what to do with himself until the center opened. Now he is a new man, much happier, and he looks forward to anything he can do for the center.

"One time I went to a restaurant with a young woman, a social worker from the center. She approached a lonely looking older woman sitting at a table and introduced herself. It came out that the woman had no friends and no relatives and was so glad to be spoken to. We told her about the center and all shook hands. That woman needs to go to our center very much."

Mr. Halpert thinks the differences between being old and unhappy and being "a senior citizen" and happy is a receptivity to the possibilities in the world. "When I was a young boy of 16 in Germany I read a book which said the best medicine was cheerfulness. I have always tried to be cheerful no matter what I was doing. It appears to have worked all these years," he says with a sly grin.

DWAYNE L. WALLACE—A LEADER IN AVIATION

Mr. PEARSON. Mr. President, the citizens of Kansas are proud that our State has contributed as it has to the growth of the aviation industry. Wichita, Kans., has, for many years, carried the title of "Air Capital of the World."

One of the Nation's leaders in making the aviation industry what it is today is Mr. Dwayne L. Wallace, former president and now chairman of the board of Cessna Aircraft Co., in Wichita. Mr. Wallace, a native of Belmont, Kans., gained his bachelor's degree in aeronautical engineering at the University of Wichita, and became president of Cessna at age 25.

Cessna, at that time, was producing fewer than 20 airplanes a year. Many longtime employees have stated that the company survived because Dwyane Wallace did not know how to quit. Today Cessna employs more than 11,000 persons and has sales in excess of $200,000,000 annually. This success is due largely to the abilities and hard work of Dwayne Wallace and his belief in the future of aviation. Dwayne has always believed that "the sun is just beginning to shine on the aviation industry." Even in view of the tremendous growth which has already taken place, he still maintains that it is only a beginning.

Mr. President, the June 1967 issue of National Aeronautics magazine carries an article on Dwayne L. Wallace and the Cessna Aircraft Co. I ask unanimous consent that this article be printed in the RECORD.

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

"From the first day I joined Cessna, we've been going by forks in the road. There have been dozens of them in our history, and we're still coming up to them all the time."

That his company has usually taken the right fork in the road is a tribute to the leadership of Dwane L. Wallace, Cessna chairman of the board, who at only 55 is the youngest of the men who have pioneered general aviation.

Wallace quickly downgrades his personal contributions, pointing instead to the "team" which over the years has molded Cessna into the world's largest producer of general aviation aircraft.

There's no denying the influence of this team, but those who know the company best are equally quick to point out that Wallace's personality runs so deeply into the organization that his company is basically an extension of himself.

A profile of Cessna Aircraft Company comes remarkably close to a profile of Dwane Wallace.

Both are staunchly conservative, yet willing to make a bold move when the occasion is right and the odds are favorable; both live only for the future, content to draw on lessons from the past but refusing to indulge in nostalgia; both firmly believe that aircraft serve "God's purpose" by providing people with more abundant living; both refuse to recognize the meaning of "failure," measuring instead in degrees of success toward known objectives.

One of Wallace's favorite expressions is that "nothing real, nothing constructive, nothing worthwhile is ever accomplished without plenty of hard work." And indeed his whole life could serve as the framework for a morality play in which the protagonist finds success through hard work, integrity, faith, and confidence.

Wallace was born in Belmont, Kansas, in October, 1911, just a few months after his uncle, Clyde V. Cessna, made his first successful flight in a Bleriot-like monoplane.

Cessna's dedication to airplanes eventually became the inspiration for Wallace's entire life. At a Sunday afternoon family reunion in 1921, Uncle Clyde asked who wanted to go for a ride in his OX–5 Swallow. "I knew I wanted to go," Wallace recalls, "and I was right up there at the head of the line. It was decided that I and my brothers, Dwight and Deane, would all ride together in the front cockpit. One of my aunts was beside herself; she couldn't understand how my mother could let all of the boys risk our lives in the same plane."

But his mother had faith in Clyde and his airplane, and soon the three boys were roaring over the Kansas fields, standing in the cockpit so they could see out.

From that moment on, Wallace was convinced that his future was in aviation.

His first hurdle was overcoming the doubts of his father, a country doctor, and Wallace well remembers the talk in which he convinced his father that he knew exactly what he wanted to do.

In 1929, Wallace enrolled in the University of Wichita, one of only three universities in the country which offered a bachelor's degree in aeronautical engineering. In college, he resumed his flying career, checking out first in gliders built by his engineering class and finally soloing in a powered aircraft—the first production model OX–5 Travel Air—in March 1932.

Wallace recalls the last years of college as the toughest in his life. "I kept telling myself that I'd quit if I only could, but it just wasn't in me to quit." He and three others made up the entire aeronautical engineering graduating class at Wichita U. in 1933, and the same year he joined the late Walter Beech as an engineer.

His Uncle Clyde's aircraft company, which had shown great promise during the late 1920s, was closed at the time because of the depression. In 1934, Wallace persuaded "C.V."—as he still refers to Clyde—to reorganize the Cessna Aircraft Company, and two years later, upon Clyde Cessna's retirement the 25-year-old engineer became president of the company.

The new title carried with it an odd assortment of duties. One long-time employee recalls that "Dwane is probably the only man who ever served a company as president and water boy at the same time. Our factory was not hooked up to city water, so we had no drinking water. Dwane would regularly bring water out in five-gallon bottles." In addition, he swept floors, served as chief test pilot, sold airplanes, participated in air races, and pitched for the lunch-hour softball team.

Wallace also did a lot of traveling, either on business or to participate in the air races which dominated aviation in those days. Another employee remembers that "we could always tell when Dwane was returning from a trip. He used the plant's water tower as a pylon, and before landing he would do a turn around the tower, so close that it looked as if his wing tip would touch it."

Asked about these incidents, Wallace smiles broadly and says, "Well you see our flying conduct in those days wasn't always exemplary. Besides, we couldn't work all the time, and being able to fly like that was one of the compensations we had."

The "air race period," one of the most interesting in Cessna's history, was a product of necessity rather than design. Still another employee recalls, "The air races Dwane took part in were the big things in the mid-thirties. He had no interest in gaining personal glory by entering the races. He went because the future of the company depended on the money he won and the publicity Cessna got. The purses Dwane brought back often determined whether or not there would be be a full paycheck for everyone." The employee could also add that Wallace often went without a paycheck himself so that others could be paid.

Many of the trophies earned during this period are still displayed in the Cessna lobby. The lineup is dominated by the huge Detroit News Air Transport Trophy. Eldon Cessna, Clyde's son, won the trophy in a Cessna model in 1931. There were no races from 1932 through 1934, but George Harte won again for Cessna in 1935. The following year, Wallace won permanent possession of the trophy for Cessna by winning the race in a C–34 Airmaster.

To say that Cessna was a struggling young company would be a vast understatement. Production of the C–34, C–37 and C–38 Airmaster averaged less than 20 units a year, and Wallace remembers that "dollars in those days were as big as cartwheels."

The company survived primarily because Dwane Wallace didn't know how to quit, and his attitude permeated the company. An employee remembers when he became dissatisfied with his pay and went to talk with Wallace: "I told him I just couldn't live on fifteen dollars a week. He took me into his confidence and showed me just what the profit was on a single sale of an Airmaster. He showed me that wages depend on sales. He promised to do better when he could. Let me tell you, the company had only a handful of employees, but we all had confidence in Dwane. We liked that guy well enough so that none of us quit our jobs."

The coming aircraft production demands of World War II signaled an abrupt change in Cessna's fortunes. The company's first twin-engine plane, the T–50, was being considered for purchase as a trainer for the Royal Canadian Air Force. Wallace went to New York to discuss details with the British Purchasing Commission, which was handling the sale. Before the British were willing to hand down a contract, they wanted to know something of Cessna's ability to produce and were especially interested in the company's financial condition. Wallace called back to Wichita and asked for a financial report. It showed that Cessna had a cash balance of less than five dollars.

Knowing that such a report would kill any chances of landing the contract, Wallace contacted a Wichita banker, who agreed to extend a credit line of $500,000 to Cessna. The British were satisfied, and Wallace came home with a contract for 180 T–50s.

Many people view this as the major turning point in Cessna's history, but Wallace regards it as only one of the many forks in the road. He is firmly convinced the company would have survived and eventually prospered even without this contract.

"Turning point" or "fork in the road," the T–50 put Cessna in the black to stay. Before the war's end, the company built more than 5,400 of the aircraft. Officially, the variations were known as the Crane, AT–8, AT–17, and and UC–78, but the airplane will long be remembered less glamorously as the "Bamboo Bomber" or "Rhapsody in Glue."

Although it was wartime production that finally brought Cessna the recognition it had long sought, Wallace and others in the company anxiously looked forward to returning to their first love—the production of aircraft for business and pleasure.

The immediate post-war period proved to be one of falsely grounded optimism. It was widely believed that this was to be the era of the family car of the air, an airplane in every back yard, and boundless horizons for general aviation. Indeed, a score of companies produced a staggering 35,000 aircraft, mostly two-placers, in the gay days of 1946. When the bubble burst a short while later, Cessna was one of a handful of companies, which survived, and Wallace candidly admits it wasn't primarily because of product or sales superiority but because "we worked hard and hung on."

The intervening 20 years have seen Cessna slowly but steadily climbing to the top rung of the industry—consolidating its gains, building better sales and service capability, fighting for public acceptance of flying, and taking the right turns at the major forks in the road.

Through it all, the company has shown a faith and singleness of purpose which is summed up in a comment by Wallace: "I admit wondering occasionally when we would ever amount to anything, but since the day one, I've always believed deep down that it was just a matter of time and hard work."

One of Wallace's greatest pleasures has been to watch the company and its people grow into new responsibilities and bigger jobs. Before he was elevated from president to chairman of the board in 1964, he often quipped that he was "the only man in the company who hadn't received a promotion in 28 years."

Wallace's responsibilities now include the highest executive and long-range policy decisions of a company with 11,000-plus employees and sales in excess of $200,000,000 a year, more than 1,000 times greater than when he became president. A single year's production of aircraft is now greater than combined production during the first 35 years after Clyde Cessna's first flight.

But in his own mind, Wallace's job today is basically the same as when he was personally putting the finishing touches on engineering drawings, test-flying every airplane off the line, and hauling drinking water for fellow employees.

Though he admits he now has to "spend more time doing some things and less doing others," he keeps a close watch on all phases of operation and often amazes associates with his detailed knowledge of people, plans, and policies at all levels of the company.

Expressions which appear over and over in Wallace's conversations are "teamwork" and "the Cessna team." Though such expressions may easily become trite, this is overcome by Wallace's obvious sincerity and his pride in the people around him.

He sees as his greatest responsibility the development of competent management for the company. "Personalities are the key to growth," he says. "Men with know-how and the ability to apply it will always be vital to our company. The greatest responsibility of management is to spot these people and place them in the right jobs. These men may be recognized by their judgment, dedication, integrity, and ability to work hard."

Not far beneath the surface of Wallace-the-executive, is Wallace-the-pilot, and he still retains the love of flying which 45 years ago launched him on his career. He does his own business flying, currently using a twin-engine Skyknight, and often flies just for relaxation in the evenings or on weekends.

More than one "wind-in-the-wires" airplane buff has been chagrined to learn that Wallace has little nostalgia for the airplanes of yesteryear. With unromantic candor, he

points out that they were cold, windy, uncomfortable, and difficult to fly.

He is known to have a certain amount of sentiment, especially toward the Airmaster, the first Cessna on which he played a major design role and still one of the most famous the company has ever built. About fifteen years ago, he came upon an old Airmaster shoved into a corner of the plant. Turning to an old-time employee, he said, "You look after this old fellow. He's the only one left in the plant. Take him to the experimental department, and whatever happens don't let anybody scrap him. This plane has done a lot for us." The airplane still lies crated in a Cessna warehouse.

Sentiment aside, however, Wallace says that "my favorite airplane is always the one I'm flying today. But the planes I like best are the ones we'll have tomorrow. I can't wait to fly them."

Visitors often ask what these airplanes will look like, but the closest Wallace will come to a description of them is that "they will each have a wing and an engine." Instead, he speaks of the vast improvements that have been made in aircraft and electronics over the years and points out that there will continue to be evolutionary developments which will make tomorrow's airplanes even better.

Looking at some of the upcoming forks in the road for Cessna and general aviation, Wallace speaks particularly of the needs to tackle the growing airport problem, continue the progress that has been made in creating public acceptance of flying, improve marketing techniques, design better and more useful products and develop more "honest-to-goodness service capability."

"Above all," he says, "our success in the future, as it has in the past, will be built on the most fragile of structures—on the confidence the customer has when he buys our product. Confidence in the way the product is built and operates—confidence resulting from the way it is sold—and confidence in the way it is serviced. The customer will make his purchase based on the confidence that he is doing business with men of good faith and good judgment."

U.S. MISSION TO U.N. FAVORS HUMAN RIGHTS CONVENTIONS

Mr. PROXMIRE. Mr. President, I congratulate our representatives at the United Nations Headquarters, in New York City. It is largely a reflection on those individuals who carry out our Government's day-to-day business at the U.N. that the present administration has taken a positive view of the conventions on various human rights, conventions which have been pending in these Senate Chambers for too many years.

The U.S. mission to the United Nations was officially created in 1947 "to assist the President and the Department of State in conducting U.S. participation in the United Nations." The mission carries out the instructions of the President as transmitted by the Secretary of State, in the various organs of the postwar world organization. This involves: First, representing the United States in meetings of the United Nations councils, commissions, and so forth; second, stating the case for the United States on issues under debate; third, negotiating and consulting with the 121 other national delegations in order to find common ground with them and thus to gain majority votes for resolutions which the United States can support; fourth, reporting to Washington on all of these activities, especially on views and intentions of other delegations; and fifth, making recommendations to Washington to help in the making of U.S. policy decisions involving the United Nations.

Ambassador Arthur J. Goldberg, the chief of the mission, is certainly no stranger to the problems inherent in protecting human rights. As special counsel for the AFL–CIO and as Secretary of Labor, he played a leading role in the formulation and recommendation of the convention concerning the abolition of forced labor. While an Associate Justice of the Supreme Court, Goldberg declared:

> There is no sovereign right of any state large or small to deny the fundamental rights of man—rights which belong to him because as a child of God he is endowed with human dignity.

The President's respect for Ambassador Goldberg's prowess in the field of international human rights has been manifested on numerous occasions. The most recent of these was the selection of Arthur Goldberg as the chief spokesman for the administration at the recent hearings on the human rights conventions.

I reiterate my gratitude to those members of the U.S. Mission to the United Nations who have done much to see their dream of Senate ratification of the human rights conventions implemented. They have done more than their share. The rest is up to us. There is no reason, constitutional or moral, that the United States should not join the members of the United Nations who have become parties to human rights treaties. The Senate must act on these agreements, quickly and favorably.

USE OF DOMESTIC ANIMALS FOR RESEARCH PURPOSES

Mr. McGEE. Mr. President, last year Congress enacted Public Law 89–544 to regulate the sale, transportation, and handling of domestic animals—dogs and cats—for research purposes. It was a badly needed law, as was demonstrated at the time by the spotlight of publicity being thrown on numerous instances of stolen family pets, maltreatment of animals, and cruelty.

Still, it would appear, dogs do get stolen and do show up in perfectly reputable medical facilities, even in veterans' hospitals, undergoing experimental operations. One such case has come to light in recent days. It concerns Thunder, the 3-year-old pet of the Jim Shorter family, of Pontiac, Mich. It is not an isolated case, I am told, and points up the need for full funding, in the amount of $1.5 million, to permit the Department of Agriculture to carry out its inspection program under Public Law 89–544. The story of Thunder, incidentally, ends happily, for he was found by a representative of the animal welfare institute in the experimental laboratory of the veterans' hospital in Ann Arbor, Mich.

Mr. President, I ask unanimous consent that articles published in the Pontiac Press and the Detroit Free Press, concerning the discovery of Thunder, be printed in the RECORD.

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

[From the Pontiac (Mich.) Press, May 27, 1967]

PONTIAC FAMILY'S DOG FOUND AT ANN ARBOR RESEARCH LAB

(By Dave Cook)

Thunder nearly split his stitches, but after a three-month absence from home and a bout of major surgery, no one could blame him.

His return was so unexpected, in fact, that his owners—Mr. and Mrs. Jim Shorter of 280 Bondale—were unable to restrain from indulging in a few antics themselves.

"Can you blame us? We thought he was dead," exclaimed Mrs. Shorter, a nurse's aid at Pontiac Osteopathic Hospital.

"Even when the Humane Society called and said they had our dog, I didn't believe them," her husband admitted.

Thunder, 55 pounds of German shepherd-collie, was driven to the Shorter home late yesterday by Mrs. Dorothy Dyce, a field investigator for the Animal Welfare Institute.

It was through the efforts of Mrs. Dyce that the 3-year-old dog—missing since February—was located in a research laboratory at Veterans Hospital in Ann Arbor.

On a routine visit to the lab, one of her activities as an investigator, Mrs. Dyce noticed one of the four-legged patients still bearing a license chain—nearly buried under heavy hair, but still there.

She jotted down the number, put in a call to the Oakland County Animal Shelter, and with the assistance of Pontiac's dog-license records, finally succeeded in tracing Thunder to the Shorters.

Thursday night Mrs. Shorter received a call from Mrs. Dyce and agreed to go to Ann Arbor in order to identify Thunder.

SQUEALING, WHINING

"It was him all right," she said. "He started squealing and whining as soon as he saw me."

A large patch of bare skin on Thunder's left side, however, immediately caught Mrs. Shorter's attention.

Hospital authorities explained the dog had undergone an operation in which one lung was removed and then restored to its original position.

"They told me it was for research purposes," Mrs. Shorter said.

WHY THE OPERATION

"What I can't understand is how Thunder got there and why he was operated on when he still had identification tags.

"He's strictly a stay-at-home dog—can't imagine him even trying to get out of the back yard."

Mrs. Dyce, whose work brings her into contact with both laboratory personnel and humane societies, said she had determined that Veterans Hospital had purchased Thunder from a "reputable" Ann Arbor dog-dealer.

"They assured me the dealer would have nothing to do with a stolen dog or a dog that was cared for and a family pet," she said.

"We are definitely going to press an investigation into this, however."

[From the Detroit Free Press, May 28, 1967]

STOLEN THUNDER IS SAVED FROM EXPERIMENTERS' KNIVES

(By Gary Blonston)

Dinner was a delicacy; warmed-over hash only two days old. The welcoming committee was the giddiest group of scratchers and patters a three-year-old collie could hope for.

Thunder was back from the medical men, still in one piece, though stitched up here and there.

Jim Shorter and his family lost Thunder in

February, when the dog who never left his own backyard, who insisted on coming inside when it rained, who whined like a baby even when he wasn't one any more, disappeared.

The Shorters checked the Pontiac dog pound again and again, but Thunder didn't show up. Eventually, they gave up looking, convinced he had been stolen.

Thunder was found last week after he had already gone through one operation in the experimental laboratory of the Veterans Hospital in Ann Arbor.

The lady who discovered him was Mrs. Dorothy Dyce, Detroit representative of the national Animal Welfare Institute, who happened to stop at one pen in the hospital as she checked on the condition of the guinea-pig animals.

Thunder was still wearing his dog tags.

A phone call, a happy "Oh, yes!" and Thunder was on his way home.

He had been sold to the hospital for $6 on May 12. Where he had been before that, no one was prepared to say. The hospital called the dog dealer who sold him "very reputable."

By the time Mrs. Dyce happened by, Thunder had already undergone an operation to prepare him for an eventual, and experimental, lung transplant.

The Shorters remember well the night Thunder disappeared.

"The kids cried like mad when that dog turned up missing," Mrs. Shorter says. "My husband always said: 'Honey, I don't feel like Thunder is dead. I think someone has taken him, and when he gets loose, he'll come home.' "

The day Mrs. Dyce found the dog, the Shorters put some beef hash on to warm and hurried to the hospital to make sure it was Thunder.

"I walked down the hall," Mrs. Shorter said, "and a dog started barking. I couldn't help but cry. They brought Thunder in and he just ran and jumped up on Jim. He just whined like a baby. It was just a miracle."

Thunder didn't come home that night, because doctors wanted to make sure he was sufficiently recovered from his operation. They cleared him in time for the weekend.

"I'm still crying, believe it or not," Mrs. Dyce said. "That dog was so delighted to see those people . . . and they to see him. It's awfully hard to find a dog like this. I was just lucky. Somebody was remiss in not contacting the owners of the dog. I don't know who's guilty, but someone is."

"We're very sorry when something like this happens," a hospital spokesman said. "We would never buy a dog that we thought belonged to somebody else."

A system started last year provides for identifying dogs with National Registry numerical tatoos, the spokesman said, and reputable dog-buyers now check for the numbers at time of sale.

TRADE LIBERALIZATION

Mr. TYDINGS. Mr. President, the Kennedy round of trade negotiations was substantially concluded on May 15, although much detail is still being worked out in preparation for the formal ending on June 30. The success of these negotiations has been the subject of much editorial comment, with a number of writers and journals already looking to the future. I share their view that while the Kennedy round is an important step toward trade liberalization, the vital continued expansion of world commerce demands sustained effort.

I ask unanimous consent to have printed in the RECORD views of particular significance on this subject from the Wall Street Journal and the Journal of Commerce, together with a thoughtful appraisal of the meaning for the United States of the Kennedy round agreement that appeared in the first issue of the new International Herald Tribune, published in Paris.

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

[From the Wall Street Journal, May 17, 1967]

AFTER THE KENNEDY ROUND, WHAT?

(By Ray Vicker)

GENEVA, SWITZERLAND.—The free trade-protectionist battle, long a part of America's history, is entering a new phase as a result of the successful Kennedy Round.

Tariffs are dropping so drastically that, in the future, rate cuts alone can no longer be used as a trade stimulating device, except in specific areas. So say trade authorities in the General Agreement on Tariffs and Trade, the international agency that conducted the so-called Kennedy Round, and officials of some of the 70 nations associated with GATT.

The next era in trade liberalization promises to focus on reducing nontariff trade barriers, establishing preferences for underdeveloped countries, developing free trade regional blocs (while seeking to reduce friction between different blocs), launching free trade schemes to cover specific products only and eliminating nuisance tariffs (those with rates of 5% or less).

It was at a nightclub on Geneva's Place du Cirque that one articulate trade authority voiced his thoughts about post Kennedy Round liberalization. The blonde strip teaser on stage had reached the climax of her act when this official asked, "How can you strip any more from a tariff when it reaches zero?"

This is not to say that the world's tariffs are coming down to zero. The U.S. has zero rates on only 576 of the more than 6,000 items listed in its tariff schedule of about 650 pages. But hundreds of other rates are dropping to below 5% under the Kennedy Round, and the same thing can be said about tariff rates of other major industrial powers.

These nuisance tariffs require more paperwork and other formalities than they are worth, and few countries will have any incentive to preserve them once all Kennedy Round concession become effective. Numerous trade officials believe such tariffs should be marked for early elimination, perhaps through mutilateral negotiations among interested nations.

Sector tariff negotiation is also becoming a topic for discussion. The goal would be to initiate free trade for specific products, probably those encompassing a high degree of technology and international interest. The computer industry is frequently cited as an example. Machine tools, chemicals, electronic equipment and farm equipment might also lend themselves to package negotiations of this type.

The U.S.-Canadian agreement establishing a free trade area for autos and auto parts is a small-scale version of sector tariff negotiations. Here in Geneva, though, trade authorities would like to see any such negotiation concluded under GATT. Since the most-favored-nation clause applies for members, benefits of any sector negotiations would extend to other GATT countries.

Tariff preference is another matter that promises to become more important. Sitting in his pine paneled office facing a sweeping view of Mont Blanc, Raul Prebisch, secretary-general of the UN Conference on Trade and Development, insists, "Developing countries must have tariff preferences to stimulate sales of their manufactured and semi-processed goods to industrial countries."

The U.S. has opposed preferences of any kind until recently, arguing that GATT's most-favored-nation principle is the best way to stimulate world trade. Recently, however, there have been signs of a shift in the Johnson Administration.

"Now the U.S. appears willing to study the question," said Dr. Prebisch.

Trade blocs seem to be a permanent part of the world scene. The European Economic Community, or Common Market, has thrived. The seven-nation European Free Trade Association, with affiliated Finland, has achieved its goal of reducing industrial tariffs to zero among member nations. A Latin American common market is being considered.

These blocs could restrict world trade if they became devices for protectionism. But they also offer considerable scope for future negotiations aimed at reducing economic frictions between different blocs.

Nontariff trade barriers were barely touched in the Kennedy Round. Many countries, including the U.S., discriminate against foreigners in placement of government contracts. Sanitary and health regulations are sometimes restrictions in disguise.

America has quite a collection of these trade barriers, the aftermath of nearly a century of a protectionism that has been steadily whittled away in the last few decades.

In 1934 the Franklin Roosevelt Administration started the trade liberalization trend being climaxed now by the Kennedy Round. In that year the first reciprocal trade act was passed, allowing the U.S. to cut certain tariffs if reciprocal benefits were obtained from its major trading partners.

From that time, tariffs have been tumbling as a result of successive tariff negotiations. The General Agreement on Tariffs and Trade, one of the immediate post World War II international cooperative agencies, has stimulated the trend. The Kennedy Round is the 6th negotiation this group has conducted.

In the early 1930s the average U.S. tariff on the value of the merchandise was 50%. By 1961 this average had been cut to 12%. The Dillon Round of tariff negotiations then lopped off a point or more from that figure, leaving U.S. tariffs at under 11% computed arithmetically as the Kennedy Round started.

Weighted by imports, U.S. tariffs averaged only 7% at start of the Kennedy Round, which means that the average will slip below the nuisance point level when all concessions from the round are obtained.

But one U.S. trade negotiations backgrounding paper warns: "Because of the complexity of tariff structure, such calculations are at best a measure of relative levels."

They do indicate, though, that the U.S. is dropping its tariff walls on industrial products to such a low level that in only a few areas do tariffs form any wall against imports. Thus, in the future, the U.S. can not depend very heavily on tariff cutting to win reciprocal trade benefits from trading partners.

To negotiate again, however, new legislation will be required from Congress. This legislation may not be on the books until after the 1968 election.

Other countries won't be sitting back, waiting for the U.S. to act. The EEC commission is already studying preferences for underdeveloped nations. Britain is seeking to enter the Common Market, a situation that could lead to lowering of trade barriers between the EEC and countries now forming EFTA. Here in Geneva the UN Conference on Trade and Development is already seeking to carve a place for itself in the area of trade stimulation for underdeveloped nations.

So a new tariff liberalization phase is starting, even as Kennedy Round histrionics echo in the halls of this lakeside city.

[From the New York Journal of Commerce, May 17, 1967]

THE TUMULT AND THE SHOUTING

The Kennedy round—probably the last big multi-national effort at tariff cutting we shall see in our lifetime—is over. It will certainly be weeks yet before any definitive judgment can be pronounced upon its results, but on balance they appear much more substantial than they could have been and much better than it seemed as though they might be during the wrangling of last fall and winter.

It is true that the 50 per cent reductions on industrial products offered by President Kennedy when he launched this round were not actually achieved. It is just as true that the United States did not get all the accommodations it wanted for its agriculture exports in the Common Market. But in the latter case it did get a compromise it can live with, especially in terms of food aid.

Whether upon examination it turns out that the slash in industrial tariffs approved in Geneva works out to 33 per cent, 35 per cent or even more, it still rates as the biggest round of tariff cutting yet to be held under the auspices of General Agreement on Tariffs and Trade (GATT). It offers good prospects for further increases in world trade over the coming years and in that respect provides grounds for satisfaction all the way around.

During the last frantic hours of negotiations between the U.S. and Common Market representatives, when tempers were flaring and the tension rising visibly, it became more obvious than ever what a collapse of these negotiations would have meant. It would have meant a regrouping of the world's major mercantile states into large and (in all probability mutually antagonistic) trading blocs. It would have necessitated a whole new American approach to such institutions as GATT itself, of multilateral trading under the Trade Agreements Act and very possibly the unconditional most-favored-nation system.

Now, at least, the trading nations know one thing they could not be sure of last fall. They know that the GATT system is still alive and kicking, even though it may not produce any more general tariff cuts.

After all, further tariff reductions on this scale will not be necessary for some time to come. In this connection it is important to remember what the Kennedy Round was supposed to accomplish. Its real purpose—often forgotten—was to complete the stage-by-stage dismantling of the protective devices adopted by the United States (via the Hawley-Smoot Tariff Act) and a large number of other countries in the black depression years of the early 1930s.

Some vestiges of these tariff barriers still remain. Some were erased years ago. The extent of the changes varies from one product to another and from one country to another. But the over-all result of the Kennedy Round should be that of a worldwide tariff system returning to normal—or to what was considered normal prior to 1930–31.

This does not mean, however, that the United States can now consider that its policy toward international trade is something that has been settled for years to come. Aside from the advantages outlined above, what we mainly got out of the Kennedy Round, in the company of our trading partners, was a respite.

There are many other problems yet to be settled. One big one is that posed by the multiplicity of nontariff barriers to trade via special taxes and the like regulations of various kinds. Another big one is the treatment the more successful mercantile states should accord the less developed countries which are dismayed to see the terms of trade turning against them and which are demanding more and more insistently some kind of special treatment for their products—whether through compensatory financing, more favorable tariffs in the big industrial markets or through some other means.

It is hardly to be expected that Britain and the Common Market will do much intensive planning along these lines over the next half year or so. Both are likely to be too preoccupied with Britain's bid to enter Europe (they are likely to, that is, unless General de Gaulle once again vetoes the British bid, in which case the situation will be entirely different).

The United States, however, has about a year to consider its future approach to international trading in the light of the results (as they become clearer) of the Kennedy Round. Such a study ought to be wide-ranging, thorough and started quite soon—no later than this coming fall. It ought also to be carried out at the highest levels and carried on by individuals representing all major points of view on the subject at hand.

Some moves have already been made in this direction, even though quite tentative at this point. We shall have more to say about this shortly. We shall also have more to say about what subjects especially commend themselves to the attentions of such a group and of what the alternatives confronting it are likely to be.

[From the International Herald Tribune, May 22, 1967]

KENNEDY ROUND—WHAT IT WILL MEAN FOR UNITED STATES

(By Edwin Dale, Jr.)

WASHINGTON.—Not long ago there was a member of Congress whose district included Staten Island and the Brooklyn waterfront. Through the port there passed several billion dollars worth of foreign trade each year, but on Staten Island there was a bird cage factory employing about two dozen workers that was suffering from import competition.

On every recorded vote, the member supported high tariffs and opposed laws to enable the President to negotiate them downward.

Things have changed, and the successful conclusion of the Kennedy Round negotiations last week in Geneva is perhaps the culminating demonstration of the change. Not only did Congress in 1962 give the President, through the Trade Expansion Act, the most extensive tariff negotiating authority ever, but the other leading nations demonstrated, in the end, their conviction that ever-freer trade is in the interest of all.

Allan Shivers, president of the United States Chamber of Commerce, said unequivocally: There is widespread approval among American businesmen of the results of the Kennedy Round. . . . The typical American business economy will benefit from easier access to foreign markets."

Things have not, of course, changed completely. Thomas P. Turchan, vice-president of the American Cyanamid Co. and a representative of a traditionally protectionist industry, said it was "a bad deal, a very bad deal for the American chemical industry." And a protectionist group called the Nationwide Committee for Export-Import Policy said that "this country lost heavily in the Kennedy Round" and predicted that "the need for protective devices will not be reduced but will grow."

ALL HAVE PROBLEMS

In Europe, the French aluminum industry apparently headed off a tariff cut for that important industry, and every major bargaining nation had its problems. Despite the unmistakable liberalizing effect of the sweeping tariff reductions—50 percent in thousands of cases and an average of 33–35 percent—some annoying non-tariff barriers to trade remain, particularly in agriculture.

Still, the sweep of the tide was clear. What, then, will the Kennedy Round results mean to the United States?

Most of the details, product by product, are still not known. But enough information is available to permit some general conclusions.

First, on the import side, the record of the past suggests that genuinely acute damage to American industry and its workers from the tariff cuts will be limited and scattered. Over the previous five rounds of negotiations this country's tariffs have been cut an average of 75 percent and, despite constant warnings of disaster, the United States has full employment and thriving industry.

The fact is that United States imports have remained a remarkably steady 3 percent of gross national product, suggesting strongly that they rise in line with general prosperity more than with reductions of tariffs. What tariff cuts do accomplish, however, is a spur to American competitiveness in the area where imports constitute a challenge. This nation has cheap transistor radios in part because of Japanese competition.

CONSUMER GOODS

This time tariffs were reduced on imports of about $8 billion, and the effects might be more keenly felt. Some consumer products such as cameras and watches (though again, details are still not known) may actually come down in price. But consumer goods constitute only one-fifth of the United States' $25 billion of annual imports. And it is worth recalling, too, that one-third of U.S. imports are already duty-free—mainly items such as coffee that cannot be produced domestically.

Thus the effect on Americans as workers or consumers will not be dramatic. What about the export side?

The United States exports considerably more than it imports—fairly good evidence that America's overall competitiveness must be pretty good despite high wages. The chief accomplishment of the Kennedy Round was to assure that American exports will not be seriously damaged by the creation of privileged trading blocs, above all the European Common Market.

CIVIL RIGHTS LAWYERS IN THE SOUTH

Mr. JAVITS. Mr. President, in the summer of 1964, when civil rights litigation in the South accelerated at a rapid pace, it became apparent that local lawyers were unable—and in some cases, unwilling—to handle the volume of work. A group of civil rights and civil liberties organizations, including the legal defense fund of NAACP, CORE, the ACLU, the American Jewish Committee, and the National Council of Churches, then organized the Lawyers Constitutional Defense Committee. This group of lawyers provided legal services for those trying to exercise their constitutional rights—services which would not have been available without these volunteers. LCDC has now sent about 250 lawyers to the deep South—many at their own expense—and is now concentrating efforts in Jackson, Miss., New Orleans, La., and Birmingham, Ala.

These efforts have been met with obstruction from many sides, the most damaging of which is a challenge to their right to practice in State courts. It is a matter which Congress should explore—together with other court reforms proposed in the administration's civil rights bill—since without these volunteer lawyers, many persons in the South would be without the right to effective counsel. A perceptive article written by George B. Driesen, a Washington lawyer, who was himself a volunteer in Louisiana, was published recently in the Reporter. I ask

unanimous consent that it be printed in the RECORD.

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

A CIVIL RIGHTS SETBACK IN SOUTHERN COURTS

(By George B. Driesen)

Like several of the attorneys handling civil-rights cases in the Deep South, Donald A. Jelinek, staff counsel for the Lawyers Constitutional Defense Committee (LCDC) in Selma, Alabama, is from out of state, is not a member of the local bar, and receives no fees from his locally unpopular clients.

Although most states bar lawyers not licensed locally from setting up practices, Jelinek and other out-of state lawyers hurdled this obstacle by associating themselves with licensed Negro attorneys in Deep South states. This procedure was rarely questioned. But last November, after an unidentified attorney challenged Jelinek's right to appear in Demopolis Circuit Court on the ground that he was not a member of the Alabama bar, Judge E. F. Hildreth barred him from trying any case in the circuit. When Jelinek stepped outside the courtroom to consult with a client, he was arrested for illegal practice of law. Taken to jail, he was held there for six hours until he obtained a $300 cash bond.

In the face of this criminal charge, Jelinek and his clients asked an Alabama Federal court to enjoin state officials from preventing him from practicing law. The suit charged that without Jelinek, his clients—Negroes and rights workers—could not obtain counsel who would zealously and capably represent them in asserting their legal rights.

While the proceedings were pending the LCDC counsel was unable to appear in Alabama courts on behalf of his clients. But Jelinek, for personal reasons, already had decided to leave his position in Selma after more than a year's service, and his leaving probably will mean that the criminal charge and Jelinek's countersuit will be dropped. Neither side seems anxious at this time for a court showdown over the right of Alabama Negroes to out-of-state counsel. Nevertheless, there is still no assurance that the state will not try to prevent Jelinek's successor from practicing.

THE VOLUNTEER DEFENDERS

The Lawyers Constitutional Defense Committee is one of three national groups working on civil-rights cases in Southern courts. The others are the Lawyers' Committee for Civil Rights Under Law and the NAACP Legal Defense and Educational Fund, Inc. (LDF). The latter group had been on the scene many years before LCDC and the Lawyers' Committee were formed. It has been sending lawyers into the South since the late 1930's and led in the development of the country's civil-rights law, including the school-desegregation cases decided by the Supreme Court in 1954.

When civil-rights organizations were about to intensify their activities in the summer of 1964, the chief legal officers of a number of civil-rights and civil-liberties groups (including LDF, NAACP, the Congress of Racial Equality, the American Civil Liberties Union, the American Jewish Committee, and the National Council of Churches) organized LCDC to send volunteer lawyers South. That summer, LCDC sent about 125 volunteers to Jackson, Shreveport, New Orleans, Birmingham, St. Augustine, Memphis, and Tallahassee. Working in relays of two to four per office, most of the volunteers remained for only a short time.

The next summer, recognizing the need for some continuity, LCDC began to hire a small staff to supplement the volunteers and slashed the number of cities in which it operated to three: Jackson, New Orleans, and Montgomery. Currently, LCDC has four full-time staff counsel, two in Jackson and one each in New Orleans and Selma. Between May and October, LCDC sends four or five volunteers at a time to Jackson, one or two to New Orleans, and two to Selma. During the rest of the year, volunteers are few. In all, LCDC has sent about 250 attorneys to the Deep South. Right now, it has nearly four hundred cases on its docket, involving three thousand plaintiffs and defendants.

The Lawyers' Committee was formed at the invitation of President Kennedy and with the approval of Vice President Johnson as a result of a June, 1963, White House conference called in response to the desperate need of civil-rights workers and Southern Negroes for counsel. Several past presidents of the American Bar Association are members of the Lawyers' Committee, and so are the presidents or past presidents of more than half of the state bar associations. The Committee had the official sanction of the Mississippi Bar Association, which formally recognized the necessity of providing counsel "on behalf of all persons accused of crime or who seek legal redress of their grievances, whether they be indigent, unpopular, residents, or non-residents and regardless of race."

Like LCDC, the Lawyers' Committee began operating in the summer of 1964, when it sponsored a group of volunteers working out of a Jackson office supported by the Legal Defense Fund. The Committee now has five full-time attorneys in its own Jackson office and three or four volunteers, most of whom stay for thirty-day periods. Its attorneys handled about fifteen hundred matters last year.

The Legal Defense Fund maintains three lawyers in Jackson, only one of whom is a member of the state bar. In Mississippi, as in other Southern states, LDF co-operates with locally licensed Negro lawyers. Supporting them and the Jackson staff are LDF's twenty New York attorneys, who work on poverty and civil-rights problems across the country. More than the other two groups LDF tends to emphasize Federal suits involving school, welfare, and employment problems likely to have a broad impact upon Negroes. Thus far, none of its out-of-state attorneys have been challenged in Southern courts.

The case load of the lawyers' organizations runs the gamut of civil-rights problems in the South. Principally they supply lawyers to represent Negroes and rights workers arrested in retaliation for demonstrating, registering to vote, demanding access to public places, or holding meetings to organize the Negro community. Through Federal suits the lawyers have wiped off the statute books numerous local ordinances violating the free speech and assembly provisions of the Federal Constitution, thus freeing Negroes to organize and to engage in peaceful protest. In other suits, they have sought to desegregate public facilities and to stop whites who tried to prevent Negroes from using them. While challenging discriminatory elections and election procedures, the rights lawyers have also helped Negro candidates through the maze of technical barriers put up by state registrars to keep them off the ballot. And the lawyers' groups represent Negroes who because of their race have been denied a fair trial by Southern courts or have been subjected to outrageous treatment by police or prison officials.

BLOCKING AND HOLDING

The recent harassment of civil-rights lawyers has not been limited to Jelinek and Alabama. Last August, L. W. (Woody) Davis, who doubles as mayor and judge in Ferriday, Louisiana, refused to let an LCDC volunteer attorney try a case and warned that he would jail the next out-of-state lawyer who attempted to practice law in Ferriday. In September he stopped two LCDC volunteers from investigating a mass arrest and threatened to jail them.

In Mississippi, an "Unauthorized Practice of Law Committee" was formed by the Bar Association last October. The bar committee announced that it would "investigate charges arising from legal matters involving people who might not be licensed to practice law in Mississippi." So far it has met no public meetings, but it has met privately with a Lawyers' Committee representative. The outcome of that meeting has not been revealed.

A few weeks after the Unauthorized Practice Committee was formed, the city and county attorneys in Grenada, Mississippi, the scene of school disorders last fall, decreed that thereafter no non-Mississippi lawyers would be permitted to appear in local courts. (Both men, thanks to the rights lawyers, were under a Federal court order to stop intimidating rights workers.) Later, Marshall Perry, judge of the circuit court with jurisdiction over Grenada, forbade a Lawyers' Committee attorney to consult with a Mississippi lawyer when the two appeared as co-council. And after two hundred youngsters were arrested for peacefully protesting the mistreatment of Negroes at newly desegregated schools, Grenada police refused to let Lawyers' Committee attorneys interview their clients in the city and county jails.

The Grenada counterattack has now hit the Lawyers' Committee's only Mississippi-licensed staff lawyer, Lackley Rowe, Jr. Late last month Rowe was jailed for contempt in connection with his attempt to represent Robert Johnson, a locally prominent Negro rights worker who was arrested during a peaceful attempt to integrate a Grenada church. Before Johnson got to court on the day of his trial, Judge Perry announced a court rule forbidding any person from walking in front of the jurors seated on one side of the courtroom. When Johnson arrived, he unwittingly violated the rule and was hustled out of court by the sheriff and constable.

Rowe, seated in front of the courtroom, saw his client being removed and went to the lobby to ask the officers why they were arresting him. "You'll find out later," they said. When Rowe repeated his question, the constable grabbed his arm, took him before Judge Perry, and accused him of interfering with an arrest. Judge Perry told Rowe that he was in contempt of court and ordered him taken to jail, where he was held for an hour and a half before being released on his own recognizance pending a later trial. (After Rowe's arrest, several white men walked in front of the jurors without incident.)

To represent Rowe, a white law firm in Greenville—Keady, Campbell & DeLong, Sr.—was retained. William Keady, who took the case because he believed that no Mississippi bar member should be treated as Rowe was, got a temporary Federal court order halting Rowe's trial.

ON UNCERTAIN GROUND

Considering the traditional rule that an attorney must be licensed in a state to practice there, one wonders why the Southern bar has tolerated out-of-state civil-rights lawyers thus far. One reason may be that if lawyers from other states did not defend Negroes and civil-rights workers in criminal cases, local lawyers might have to do so: convictions where the defendant had not been represented by counsel would face invalidation by higher courts. Then, too, Southern lawyers—especially those with ties to the national bar—are professionally concerned about the quality of justice meted by Southern courts and share the professional view that neither poverty nor unpopularity should deprive an individual of his legal rights. And legal rights can't be obtained without lawyers.

Another reason for tolerating the lawyers'

groups is that there are legal restraints against barring out-of-state lawyers. A Louisiana statute expressly permits "visiting" attorneys to practice "in association" with Louisiana-licensed attorneys, although no Louisiana case spells out the meaning of "in association." Mississippi law permits out-of-state lawyers to practice unless challenged. Only Alabama has a law that seems flatly to restrict its courts to locally licensed lawyers. It is possible that such laws are unconstitutional if locally licensed attorneys will not vigorously defend Negroes and civil-rights workers in criminal cases. Even in civil suits, barring out-of-state counsel may violate the Constitution's equal-protection clause if the consequence is that the clients cannot obtain the same Federal and state remedies against state officials that are available to local whites.

If these considerations led the Southern bar to tolerate lawyers from other states in the past, why the pressure against them now? One reason may be white backlash, which has affected even the Southern moderates and produced a resurgence of hostility to rights activity and to the Negro movement in the North as well as in the South. Some persons familiar with the situation have suggested that Jelinek's troubles stemmed from a personal antipathy he aroused unnecessarily, and it is probable that Rowe's harassment was due partly to Grenada officials' resentment against a white Southerner defending Negroes. But the best explanation seems to be that LCDC and the Lawyers' Committee are no longer content simply to defend clients. They have recently begun bringing suits in Federal courts to obtain economic justice for the Negroes and to curb Southern officials who victimize them. So long as the cases righted isolated wrongs and modified some outrageous practices, they posed no real threat to the Southern way of life. The other kinds of suits do, and civil-rights lawyers thus have become targets.

Jelinek, for example, was first challenged in Alabama's courts upon his return from trying a suit in Washington that was part of a sustained effort to improve the lot of Alabama's poor Negro farmers. The purpose of the suit was to force changes in Agricultural Stabilization and Conservation Service elections to assure Negroes a fair chance to vote. In those elections farmers choose ASCS community committeemen who in turn select ASCS county committeemen to administer the Federal crop subsidy program. Last year that program poured $15 million into the hands of Alabama cotton farmers alone. But no Alabama Negro has ever served on a county committee, despite the clear Negro majority in ten of Alabama's sixty-seven counties. In fact, prior to 1964, when the Rev. Martin Luther King's Southern Christian Leadership Conference and the Student Non-violent Coordinating Committee began organizing Negro farmers and were met with threats, economic coercion, violence, and bombings, no Negro had ever *voted* in an Alabama ASCS election.

In 1965, Alabama ASCS officials nominated so many Negroes (some of them with the same names as the Negro community's candidates) that the Negroes were unable to elect any county committeemen. Indeed, conditions in that election were so bad that the Secretary of Agriculture set the Lowndes County tally aside. Last summer, the Alabama ASCS elections were scheduled on a mere thirty-five days' notice and in August—in the past they had been conducted in the winter. The short notice made it impossible for the Negroes to organize an election campaign. So Jelinek went to court on behalf of a group of poor Negro farmers, SNCC, and SCLC.

In the complaint, Jelinek alleged that ASCS committeemen and employees (picked by the committeemen) had conspired with large landowners to control elections and that fraud, violence, economic sanctions, and deliberate efforts to confuse Negro voters had been used to keep Negroes off the ASCS committees in the past. The complaint quoted extensively from a 1965 Civil Rights Commission report on the problem, and one of Jelinek's witnesse. swore at the trial that he had been warned he would be killed if he testified. He was later shot at.

Jelinek was partly successful: with court approval he obtained an agreement from the Secretary of Agriculture to postpone the Alabama elections for thirty days. Since his return, Jelinek says, he has never had a moment's peace, for it was then that he began facing challenges to his right to practice in Alabama courts. One judge, who had always treated Jelinek cordially, told him that barring him from court was not the judge's idea; he was under orders from the Alabama Bar Commissioners. Jelinek says that some of the Bar Commissioners represent wealthy Alabama plantation owners who receive substantial crop-support payments and that Negro farmers could double their income throughout the South if they were represented on the ASCS committees. Jelinek has brought a suit against a plantation owner, represented by one of the Bar Commissioners, who allegedly forced tenant farmers to assign Federal crop-diversion payments to him in exchange for permitting them to continue using his land. The suit asks that the Department of Agriculture be required to forbid such assignments in the future.

THE WAGES OF BRUTALITY

Jelinek's battle with powerful agricultural interests parallels the struggle that other civil-rights lawyers are waging through Federal suits against state and local officials who use or sanction the use of violence to prevent Negroes from exercising Constitutional rights. Suits like an LDF-Lawyers' Committee action to end the terror in Grenada, a similar suit that LCDC brought and won in 1965 to stop police brutality against peaceful demonstrators in Bogalusa, Louisiana, and another against Ferriday's Mayor Davis have forced Southern officials to operate in the shadow of Federal injunctions. These court orders amount to a Federal presence in the South—though not the one some civil-rights leaders have sought.

Court orders have not been the only form of relief that the lawyers have asked for. Southern police are being forced to face the prospect of compensating the victims of their brutality and disregard of rights. For example, Lawyers' Committee attorneys are pressing a Federal suit (the Parchman Penitentiary case) on behalf of almost two hundred plaintiffs, each claiming damages of more than $6,000 against Natchez and Mississippi state officials. The officials, the suit charges, arrested plaintiffs for participating in a peaceful demonstration and, without the preliminary hearing required by state law, transported them to the state penitentiary two hundred miles away, where many were stripped, beaten, and forced to take laxatives.

Another Federal suit, brought by LCDC's chief staff counsel in Mississippi, Alvin Bronstein, and settled out of court, sought damages from a Mississippi lawman for unlawfully arresting a Negro woman and beating her in jail. Her $1,500 recovery was the first of its kind by a Mississippi Negro. Similar cases in the Federal courts are pending in Louisiana and Alabama, where law-enforcement officers are charged with beating white and Negro rights workers either in jail or on the way.

Southern law-enforcement officials do not like being subjected to the restraints of Federal law, and they may be responding by trying to drive out the lawyers who are making that law a reality. It is no secret that the Mississippi bar's Unauthorized Practice Committee was formed in response to the threat to the previously unbridled power of Mississippi lawmen. A few weeks before the bar announced its "investigation," the state's Attorney General, Joe T. Patterson, blasted LCDC and the Lawyers' Committee for what he called "violations of legal ethics and intimidating law enforcement officers." Patterson objected to the group's giving "free rides to persons unable to pay for counsel and court charges by representing them for nothing." And the intimidation of law-enforcement officials to which he referred means the bringing of suits for damages and other relief from unlawful arrest, prosecution, and jailhouse brutality that the civil-rights lawyers are pressing.

Efforts to make Southern police observe the law prompted former Governor Ross Barnett, who achieved national notoriety by defying a court order to admit James Meredith to the University of Mississippi, to issue a press release in Jackson urging that "public-spirited attorneys" in Mississippi and other Southern states offer free legal services to law-enforcement officials. "Our public officials and our law-enforcement officers should be free to perform their assigned duties to the best of their ability," Barnett proclaimed, "without having to worry about the expense of defending themselves against bothersome and frivolous law suits." Barnett's interest in the problem may not be unrelated to next fall's Mississippi election, in which Barnett will again seek the governorship.

A DEARTH OF ALTERNATIVES

Whether the out-of-state civil-rights lawyers will be forced to leave Alabama, Mississippi, and Louisiana is not yet clear. Some of the recent incidents may reflect the racist proclivities of local court officials rather than a co-ordinated effort. But the investigation launched by the Mississippi bar's Unauthorized Practice Committee is ominous in view of the bar's formerly tolerant and even helpful attitude toward the Lawyers' Committee. And in Alabama, the Bar Commissioners participated in the action brought by Jelinek to establish his right to practice there—and not on Jelinek's side.

If LCDC and the Lawyers' Committee were run out of the South, LCDC Executive Director Henry Schwarzschild points out, Negroes and civil-rights workers would be deprived of much essential, day-to-day legal representation in both criminal and civil suits. The result, he says, would be to subject Negroes to the virtually unrestrained power of the law-enforcement officials. Aaron Henry, president of the Mississippi NAACP, described the effect of depriving Mississippi Negroes of out-of-state lawyers as "tremendous." Marian Wright, chief Legal Defense Fund lawyer in Mississippi—who would not be directly affected because she is licensed there—says the work to be done is so heavy that all three groups cannot handle it. And LDF lawyers in New York agree that their group is not in a position to provide all the services of the other groups.

Southern white lawyers are not likely to take over the job either. Hardly any of them can afford to jeopardize their livelihood that way. Even when appointed to defend an arrested Negro "agitator," a lawyer may present only a perfunctory and inadequate defense if he fears or shares a white community's racist attitudes and its hostility to Federal statutes and Supreme Court decisions that might help his unwelcome client. And counsel is almost never appointed in misdemeanor cases tried before Southern mayors and justices of the peace.

Neither are the Negro lawyers equipped to take over the work of LCDC and the Lawyers' Committee. In Mississippi there are six Negro lawyers—and one million Negroes. Civil-rights cases often crop up in sparsely populated areas where there are few Negro attorneys or where representing civil-rights advocates could be dangerous. In northern Louisiana, for example, where Negro com-

munities are in the early stages of organization, there are only three Negro lawyers.

Furthermore, becoming too closely identified with the rights movement could cost the Negro lawyer the cooperation of local officials, which he must have to effectively represent his other clients. And Negro lawyers cannot devote full time to rights cases; their clients have other problems.

State-sponsored public defender systems and the Office of Economic Opportunity's Legal Services Program offices are not likely to fill the gap either. Alabama and Louisiana do not have public-defender offices, while Mississippi's one office (in Gulfport) has never represented anyone arrested in the course of civil-rights activity. The Legal Services Program, where it exists, provides legal aid to the poor, mainly in landlord-tenant, sales, contract, and domestic-relations matters. The program is in the hands of the local bar, and its lawyers would not be anxious to bring suits seriously challenging the Southern establishment. In any event, in the Deep South only Mississippi has a Legal Services Program, and none of the attorneys affiliated with it has ever handled a civil-rights case.

In light of all this, participants in a Twentieth Century Fund conference last October 6 and the administration of justice in the South agreed that "The need for outside lawyers might last for 5 to 10 years, and more in some areas." In that time, the conference hoped, progressive elements in some Southern states—including the younger lawyers—might be encouraged to undertake civil-rights work. But the real solution probably lies within the Negro community itself. As more Negroes in the Deep South states become lawyers and achieve a measure of financial independence, they can take over the bulk of civil-rights litigation now handled by outsiders, in New Orleans, for example, a few Negro lawyers, including the prominent firm of Collins, Douglas & Elie, have been doing this work for years. In fact LCDC's New Orleans operation began in the firm's library, and LCDC still works closely with it.

But New Orleans is hardly a typical Southern city. The growth of the Negro bar elsewhere will take time and can occur only if the climate in the South improves to the point where more Negroes will want to practice there and are able to get high-quality legal training. The Legal Defense Fund is tackling this problem by providing money to help Negroes through law school (twelve are attending the University of Mississippi with such aid) and to start practicing in the South.

The out-of-state lawyers were probably never more important than now. The civil-rights movement in the South is being carried on almost entirely by local Negroes. Indeed the national rights groups, their attention turned elsewhere and their treasuries depleted by the disenchantment of once-generous supporters, have all but stopped supplying money and organizers. Throughout the struggle, having lawyers who could effectively challenge Southern officials and who had the confidence of Southern Negroes has helped the Negroes find the courage to organize and to claim their rights. With most of the organizers gone, in some communities only the civil-rights lawyers now stand between local Negroes and the attempt to reassert the old patterns of white dominance. A serious reduction in the lawyers' ranks at this critical moment could be harmful beyond measure.

COSPONSORSHIP OF NELSON MINK IMPORT BILL

Mr. MONDALE. Mr. President, Minnesota is one of the most productive agricultural States in the Nation. It is also one of the leading States in the production of animal furs as it has been since the pre-Northwest Territory period of our national life.

Minnesotans are deeply troubled today by the economic squeeze which is being placed on American farmers by an increasing deluge of foreign agricultural commodities. The tightening economic vise, long a reality for the Minnesota dairy and livestock farmer, now has begun to affect the hundreds of Minnesota families who have dedicated a lifetime to the production and marketing of mink pelts. The following statistics, compiled by the Business and Defense Services Administration of the U.S. Commerce Department, graphically depict the accelerated dumping of inexpensive mink pelts in recent years:

Annual total of imported mink furs

[Quantity in thousands of pelts]

Year:	*Number*
1960	2,846
1961	4,131
1962	3,825
1963	4,459
1964	4,357
1965	4,856
1966	5,651

Mr. President, the trend accentuated by the jump in figures for 1965 and 1966 requires little amplification. The statistics do not, however, tell the full tragedy which domestic markets glutted by inexpensive foreign pelts bring to the thousands of mink farmers across the Nation and in Minnesota who have, through industrious work and intelligent promotion, created an expanding domestic market for the product of their labor and investment.

On May 24, the distinguished Senator from Wisconsin [Mr. NELSON] introduced a bill to impose reasonable controls on imported mink pelts. The proposal offered by Senator NELSON, S. 1856, offers simple justice to the thousands of persons connected with the production of American mink pelts, and I am pleased to join with Senator NELSON in the sponsorship of this legislation and to join in his request for hearings on S. 1856 at the earliest date.

The proposed legislation is not designed to close the American market to foreign pelt producers. On the contrary, the volume of the foreign share of the American market under S. 1856 will grow. The purpose of this proposal is to assure the American mink farmers that 60 percent of the domestic market will be his and that he will be able to freely compete for a share of that market without encountering competitors whose production is subsidized by a foreign government and rendered inexpensive because of lower labor costs.

Mr. President, imports in the first 6 months of this year have doubled over the average monthly figures for 1966. For the mink farmer and his family and the entire agribusiness community the hour is growing late. I commend Senator NELSON for his leadership in this area and join in the support of S. 1856.

Mr. President, I ask unanimous consent that a selection of the dozens of letters I have received on this issue be printed in their entirety in the RECORD.

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

MINNESOTA FUR BREEDERS ASSOCIATION,
May 21, 1967.

Hon. WALTER MONDALE,
Senator from Minnesota,
Washington, D.C.

DEAR SENATOR MONDALE: I am writing to you in regards to the bill that Congressman James Burke of Massachusetts introduced, Bill H.R. 6694.

My name is Howard Brechtel and I am a mink rancher in Austin, Minnesota. I also am the Secretary of the Minnesota Fur Breeders Association. I am writing for myself as well as for the Minnesota Fur Breeders Association.

The mink ranchers of Minnesota need this bill. Foreign countries are literally dumping cheap commercial mink in this country. They are taking 42% of our market right now. These mink are coming in duty free and promotion free. They pay no taxes, elected no public officials, command no votes, take no local responsibilities, support no agricultural markets, and cause the United States a serious loss of gold in the amount of 173 million dollars annually.

I said that they are taking 42% of our market right now. This market was built by the mink ranchers of our country by assessing ourselves from our own sales receipts for market development. In the last several years this amounted to more than a million dollars annually.

We are willing to give them 40% of our market duty free. With out this bill and if the present trend continues it is estimated that over 50% of the American mink ranchers will be forced out of business from selling below cost of production.

There are 428 mink ranchers in the State of Minnesota. This is what these 428 ranchers are doing for the State.

Total investment in ranch production	$20,640,000
Total pelts produced	903,000
Ranches	428
Breeder females	258,000
Gross sales at $17.57 national average	$15,866,000
Production costs	
Selling costs	$1,586,000
Feed	7,224,000
Labor payroll	3,612,000
Interest, depreciation, taxes	1,586,000
Management	793,000

As a mink rancher and one of your constituents I ask you to support the Burke Bill H.R. 6694.

In concluding I would like to hear your thoughts and comments on this bill.

Thank you very much for your time and trouble.

Yours truly,

HOWARD BRECHTEL

AUSTIN, MINN.

SPRING GROVE, MINN.,
May 25, 1967.

Senator MONDALE,
Washington, D.C.:

As an American Mink rancher, I come to you with one thing in mind—Help. For many years our product has been troubled, but not until now is it desperate. I would like to make you aware of the situation the American Mink rancher is in today, and how he got that way.

As mink ranching was perfected in the United States, and as the rancher developed the market, foreigners got into the act with the United States market, as a proven target, riding free of charge on the market development of the American rancher. Imports, on a duty-free basis, began with little or no share in the American market and have expanded until, in 1966, they had seized nearly 42 percent, a threatening "bite" out of the

American consumption of mink pelts. Auction company officials estimate that if this trend continues, over 50% of the American producers will be forced out of business from selling BELOW COST OF PRODUCTION. Imported mink pelts ride in on the American rancher's market duty-free, promotion free, pay no taxes, elect no public officials, command no votes, take no local responsibilities, support no agricultural markets, and cause the United States a serious LOSS OF GOLD in the amount of $73 million annually.

A bill, H.R. 6694, has been introduced by Congressman James Burke of Massachusetts. It would put a duty on raw or dressed mink when the Secretary of Agriculture determines that in any given year 40 percent of the domestic market has been taken by foreign mink. This, in effect, limits the duty-free imports to the ratio of our market currently held by foreigners. It does not roll back nor impose quotas, but merely provides that when the foreigners have taken 40 percent of our market each year, they will pay a duty on each additional mink brought into this country.

I would be very interested in knowing what your feelings are on this bill, and what is being done about it.

Sincerely,

THOMAS A. JONES.

NOLTIMIER MINK RANCH,
SOUTH ST. PAUL, MINN.,
May 31, 1967.

Hon. WALTER MONDALE,
U.S. Senate, Washington, D.C.

DEAR SENATOR: I have been a mink rancher for 21 years and have always managed to make a good profit from our year's work, but so far this year I haven't disposed of a single pelt. I have had many reports as to the market conditions but was still skeptical so I went to New York to see for myself and found the fur market was loaded with mink with hardly any buyers because the American buyers went to the Scandinavian Countries and loaded up with duty-free mink.

Statistics show that it costs from $17.00 to $18.00 to produce a pelt. I was led to believe that I couldn't expect much more than $10.00 per pelt, which would be about the price of feed to produce a pelt. I have always been a conservative operator, but will not be able to hold out too long under these prices. Reports are that 50% of the U.S. ranchers will go broke if the present tax-free imports are allowed to continue.

I surely hope you will see fit to support the bill H.R. 6694 and would greatly appreciate receiving a reply as to how you feel on this bill.

Sincerely,

C. A. NOLTIMIER.

BORDER MINK FARM,
Ranier, Minn. May 26, 1967.

Senator WALTER MONDALE,
Washington D.C.

DEAR SENATOR MONDALE: This letter is more of a call for help than a request. It is in regard to the present situation the mink ranching industry is in.

I am a family type mink rancher and have been in this business since 1956 when I got out of the service. I bought it from my folks who had been in it since 1937. Up until this year they did it on a smaller scale but were forced to quit by the low prices received. In my situation I have everything put into the mink business and am deeply concerned about my future, with the Scandinavian and other furs pouring into our market duty free and with no import quota. It seems they can produce and sell these mink at prices below our costs of production. If this trend continues and nothing is done to help us, a great many of us will be forced out of business.

The Scandinavians are increasing their production each year and have the U.S. market to aim for. If we are forced out, much will be lost over here in monies invested in our ranches annually, taxes paid, etc. Imported pelts come into our markets duty free, pay no taxes, elect no public officials, command no votes, and cost the U.S. a loss of gold in the amount of 73 million dollars annually.

Of all the various agricultural commodities mink alone received no price support and no government protection in any way shape or form.

We ask for help at this time in the form of a quota and a high duty on any mink imported over this quota. This is being asked for in a bill introduced by Congressman James Burke and his bill H.R. 6694. I sincerely ask for your support of this bill as it will decide greatly on the future of thousands of mink ranchers, like myself.

If possible I would appreciate hearing from you on your views of this and any further action that could be taken.

Yours truly,

DUANE OVESON.

REIMERS' MINK RANCH,
Montevideo, Minn., May 20, 1967.

Hon. WALTER MONDALE,
Senator for Minnesota,
Washington, D.C.

DEAR MR. SENATOR: I am a mink rancher and director of the Minnesota Fur Breeders Association. We mink ranchers are in drastic need for help! I wish you could have been to our last state of Minnesota Fur Breeders annual meeting, held at the Curtis Hotel in Minneapolis on April 15th. There were ranchers there that had not been able to sell a skin, worried—who wouldn't be? It is hard to believe that a country like ours can afford to let their own market slip away from them. That's exactly what is and has taken place right here in our own country. What are we to do? Join the Poverty Plan?

A Chevrolet which sells for $2500 in the United States would sell for $6500 in Norway. The extra $4000 is mostly import tax. Meanwhile, Norway's mink come untaxed into the United States.

What are the results of this? The American rancher is going out of business at the rate of 500 per year. If the crop this year cannot be consumed or even sold, the number will really soar high. In 1966 imports increased 16 percent over 1965, imports from Scandinavia by 23 percent, from Denmark, as an illustration of excessive expansion, over 28 percent! This was in just one year!! That's not all, Norwegians recently reported that their 1967 production would exceed 1966 by 20%. With the United States as their market!!! They will drive the American rancher right out of his own market. Sweden dumps her skins every year and floods the market, dropping prices. They can raise the mink much cheaper than we can.

Now we are asking Mr. Mondale, to help the mink rancher by supporting a bill, H.R. 6694, which has been introduced by Congressman James Burke of Massachusetts. It would put a duty on raw or dressed mink when the Secretary of Agr. determines that in any given year 40 percent of the domestic market has been taken by foreign mink. This, in effect limits the duty-free imports to the ratio of our market currently held by foreigners.

This passage of the bill is very important for Minnesota as we rank second in United States in the production of mink. At the meeting the ranchers were very concerned who was representing them at Washington and I would like a reply to this letter in regards of how you stand on this bill. Of all the various agricultural commodities, mink alone receives no government protection in any way shape or form, no price supports, not even sympathy. If we loose our market, we'll get a big group on the poverty list. This letter is meant in the best of purpose but it does spell out help!

Yours truly,

HARRY and GLADYS REIMERS.

RICHARDS MINK FARM,
Buffalo Lake, Minn., May 20, 1967.

Hon. WALTER MONDALE,
Senator from Minnesota,
Washington, D.C.

DEAR SENATOR MONDALE: I, and hundreds of other mink farmers like myself earnestly need your help. We are being overrun by the unlimited quantities of Scandinavian mink being brought into this country. No Restrictions. Our trouble is simply, too many foreign mink being allowed into our fur markets here in the States. The mink business has grown into a sizeable industry. Millions of dollars are spent on feed for the animals, labor to operate the ranches, and income taxes on the profits. Wisconsin leads in total mink production, next comes our state of Minnesota.

Pelts imported into this country last year reached 40% of domestic consumption. Denmark led the import supply nations with 1,200,000 skins. We are facing a market this year that will put many ranchers out of business. Present market conditions are such that the cost of feed and labor can not be met. Will you help us? Any influence you can lend us will be most appreciated.

A bill, H.R. 6694, has been introduced by Congressman James Burke of Massachusetts. This bill would put a duty on raw or dressed mink when the Sec. of Agriculture determines that in any given year 40 per cent of the domestic market has been taken by foreign mink.

Will you help us in protecting our domestic market, by limiting imports? Please we need your influence and help.

Sincerely Yours,

LOREN J. RICHARDS.

PROPOSED REALINEMENT OF THE ARMY RESERVE AND NATIONAL GUARD

Mr. THURMOND. Mr. President, on last Friday, June 2, the Secretary of Defense and the Deputy Secretary of Defense announced a plan calling for the realinement of the Army Reserve and National Guard forces.

Immediately upon being informed of this plan I issued a statement giving my views on the proposal. I ask unanimous consent that this statement be printed following these remarks in the CONGRESSIONAL RECORD.

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

STATEMENT OF SENATOR THURMOND

The proposed realinement of the Army Reserve and National Guard announced today by the Department of Defense will require the most searching inquiry by the Congress. The Senate Armed Services Committee and the Preparedness Subcommittee will both want to study the plan and determine its impact on the capabilities of our reserve forces to meet any contingencies which may arise.

Both the Reserves and the National Guard have proved their worth to our country on more occasions than it is necessary to mention. Particularly at this point in history, when we are faced with crisis after crisis, which arise virtually overnight, it would be disastrous to take any step to impair the combat readiness of our reserve forces. With world conditions as they are and considering the tremendous responsibility resting upon our country, it would be asinine to consider reducing the strength and thereby

the fighting capabilities of either the Reserve or the National Guard.

It is on this basis that the Congress should evaluate the proposed realinement.

MRS. G. H. A. CLOWES, INDIANAPOLIS, IND.

Mr. BAYH. Mr. President, in the death of Mrs. G. H. A. Clowes, Indianapolis recently lost one of its most distinguished citizens. Mrs. Clowes helped establish and shape a number of important institutions and worthwhile activities in that city.

Some of the distinctive characteristics of Mrs. Clowes' personality and achievements are well summarized in an editorial published in a recent issue of the Indianapolis Star.

As a tribute to one who contributed much to the welfare of her community and, indeed, to the whole State of Indiana, I ask unanimous consent that the article be printed in the RECORD.

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

MRS. G. H. A. CLOWES

There may be new memorials to Mrs. G. H. A. Clowes. But it would be hard to surpass the set of living memorials which exist now because of the things she did.

She was an innovator. She may or may not have been more alert than most persons in perceiving things that needed to be done. But she did something about them.

There are Clowes Hall, the Indianapolis Symphony Orchestra, Orchard School, the annual Park School Garden Tour, the law which permits city and school contributions to the Symphony operations, the tower of Trinity Episcopal Church and the Clowes art collection, to name the more noteworthy ones. In the creation of all of these—some with others and some by herself—she was a prime mover.

Hers was a forceful and decisive personality. She shunned no controversy and she had a habit of being right. When she moved, she did it with vigor and purpose.

In contrast to her belief that tax money should help keep the orchestra going, she opposed the use of tax money to help build an auditorium on the Butler University campus. The taxpayers, she opined, had burdens enough. She and her family backed that opinion with some $2.5 million, and in addition picked up the first year's operating losses of Clowes Hall.

Those were things indicative of the character of a noble woman. She worked in many other civic enterprises. She didn't just send her money to do things; she put herself into them.

She will be remembered with joy and pride.

FLORIDA ACTUARY BLASTS REVOLVING CREDIT

Mr. PROXMIRE. Mr. President, one of the most complicated subjects known to man is a revolving credit account. There are very few housewives who understand the complicated bookkeeping system employed by department stores who commonly extend revolving credit.

I do not mean to imply that the revolving portion of the credit is complicated. Once the credit charge begins, it is a simple matter of multiplying an unpaid balance by a fixed percentage, usually 1½ percent to obtain a finance charge. The truth-in-lending bill would require that this monthly percentage be translated into an annual rate of 18 percent per year so that such credit is directly comparable with other forms of credit.

The determination of the unpaid balance, however, is another matter. Some stores charge on an adjusted balance method. This means that the store will charge 1½ percent per month on the opening balance less any payments or returns during the month. Thus, under this system the consumer receives credit for any partial payment he may make during the month.

However, under the opening balance method, which is used by 60 percent of all department stores, a charge is made on the basis of 1½ percent of the opening balance unless the entire balance is paid in full within 30 days. Thus, if a consumer had an opening balance of $100 and repaid $99 during the month, the store would still charge 1½ percent of the $100 opening balance.

Mr. John S. Ripandelli, a Florida actuary, has attacked the opening balance method and claims it is unfair to consumers.

The truth-in-lending bill, which I introduced last January, would not prescribe any particular method of billing. It would, however, require the stores to disclose in clear and simple language the exact way in which their billing systems are operated. As it stands now, most stores simply say they charge 1½ percent per month "on the unpaid balance." No definition is provided for the term "unpaid balance." It might either be the opening balance or the adjusted balance. It makes a substantial difference in dollars and cents which opening balance the store is talking about. The bill I have introduced would require the store to disclose this important fact to the consumer.

Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the St. Petersburg Times, concerning Mr. Ripandelli's attack on the opening balance system.

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

RIPANDELLI VERSUS THE SYSTEM

John S. Ripandelli has been fighting the system. Like most men who set out to do battle with windmills, he has had quite an exercise in the American right to question things that no one seems to understand.

But that doesn't mean he's making any progress toward getting the answer he wants.

His fight concerns the way department stores figure carrying charges. He doesn't think their method of accounting is "right."

Ripandelli, a Tallahassee actuary and consultant, brought the whole matter to the attention of the State Comptroller's office, and they've been going "round and round" ever since.

He puts it this way:

"For example, take an extreme case," he wrote to Harold Lewis, state deputy commissioner of mortgages . . . "I purchase $300 worth of merchandise the day before the 'billing date'. A few days later, I receive the bill, and pay $299 immediately. My unpaid balance is $1."

But, said Ripandelli, his next month's bill would show a service charge based on the entire $300. It would come to $4.60.

"This," said Ripandelli, "is hard to understand."

The commission answered with a letter telling him it was all legal according to Florida statutes.

Ripandelli didn't question the legality of the practice. But he did write back, pointing out that as he saw it, it resulted in a service charge based on $300 when the amount owed for the month was only $1.

Lewis says the situation is perfectly natural.

"Practicality," says Lewis, "dictates that the charges be computed on the account balance as of some arbitrary date during the billing period." Any date, he adds, could have been chosen. It would have resulted in the same problem for the bookkeeper.

"The drafters of the Florida Retail Installment Sales Act realized that it is not feasible to calculate a separate charge for each item purchased during the month," says Lewis.

"A practical reason," he says, "for computing the charge on beginning balances is to eliminate complaints that would develop in cases where the customer makes a payment, say, on the 29th day after billing, and this is not picked up in time to appear on his next statement, which may be already in the mail."

"And," points out Lewis, "I might add that if, in the case suggested by Mr. Ripandelli, the customer had paid the entire $300 due, he would not have been billed for the service charge the following month—even though there was an opening balance at the beginning of the billing period." This means he would have received credit for free.

The law makes no stipulation whether the computing of charges will be based on either the beginning or the end of the billing period. Most of the large stores, however, figure it on the opening date, according to Lewis.

And, he adds, most contracts work out so the customer pays no added charges if the bill is paid within 30 days of the billing statement.

This means, says Lewis assuredly, "a customer can obtain credit for 60 days with no service charge."

He gives an example: An account is opened on Jan. 15 with a $100 purchase. A statement is sent to the customer on Feb. 15 showing an unpaid balance of $100 with no carrying charges. If the customer pays the account in full within 30 days from the date he was billed—by March 15—he will pay no service charge.

"If he pays an installment (instead of paying in full), he will be assessed a carrying charge on March 15 for the full Jan. 15 purchase. The customer may then wait until April 14 before paying this carrying charge."

This, indicates Ripandelli, who has had a similar explanation given to him, is fine but it still doesn't help him understand whether this practice, legal or not, is "right." He wonders whether or not the charge should be based on the unpaid balance, instead of the opening balance.

It's all the same says Lewis.

"The opening balance of a period is the closing balance of the preceding period," he says, referring to his example. (But it is not the unpaid balance.)

"Personally," says Ripandelli, "I think the Legislature ought to define what is meant by 'unpaid balance' and how to charge a fractional part of a month."

Nevertheless, the charges are still appearing on bills from department stores. And Ripandelli doesn't seem to be any closer to winning his battle than he was in the beginning. But he's trying a new approach.

"I gave up with them," he says, referring to the mortgage commissioner's office.

He says he might ask the Legislature to "define" the problem, and he hints there might be a possibility of bringing the matter before a U.S. Senate Committee investigating installment credit charges.

In the meantime, he'll be billed just like everyone else who buys on credit from a department store. The system doesn't flinch.

WATER CONSERVATION AND DEVELOPMENT IN TEXAS

Mr. YARBOROUGH. Mr. President, the 23d annual meeting of the Texas Water Conservation Association in Austin, in March 1967, was the occasion for three very informative addresses summarizing the work of three Federal agencies toward conservation and beneficial use of our precious Texas water.

The current work of the Army Corps of Engineers was presented in a fine address by Brig. Gen. William T. Bradley, division engineer, U.S. Army Engineer Division, Southwestern, Dallas.

The activities of the Bureau of Reclamation were outlined by Mr. Lon W. Hill, regional director, Bureau of Reclamation, Amarillo.

The very fine program of the Soil Conservation Service in Texas was described by Mr. H. N. Smith, State conservationist, Soil Conservation Service, Temple.

These three speeches provide a comprehensive picture of the water development work being carried out in Texas by these Federal agencies. I ask unanimous consent that they be printed in the RECORD.

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

[From Texas Water, April 1967]

THE CORPS OF ENGINEERS' ROLE IN TEXAS WATER DEVELOPMENT

(By Brig. Gen. William T. Bradley)

(EDITOR'S NOTE.—Following is text of remarks by Brig. Gen. William T. Bradley, Division Engineer, U.S. Army Engineer Division, Southwestern, Dallas, to the 23rd Annual Meeting of the Texas Water Conservation Association in Austin March 12-13, 1967.)

Being perhaps one of the newest Texans in the room, I was pleased to have this opportunity to meet with such a distinguished gathering of leaders in the water resources development field in Texas.

Texas is fortunate to have an organization such as the Texas Water Conservation Association, which can bring the diverse water interests of the state into one body for the purpose of considering and trying to create better understanding of one another's water problems.

The topic I have been asked to speak on today is, "The Corps of Engineers' Role in Texas Water Resources Development." Basically, we in the Corps of Engineers consider our role to be one of partnership with the states and local governments and the various Federal agencies concerned in this field of water resources development. Functionally, we play several roles. We are here to help in planning, and, where appropriate, to construct facilities to meet water needs inherent with the state's growing population.

The Corps of Engineers' civil works program in the Southwest today comprises about three-fourths of our overall mission, the other one-fourth being devoted to construction of military installations and facilities for the Army and the Air Force. We have recently phased-out our mission at the Manned Spacecraft Center in Houston, which we built for the National Aeronautics and Space Administration. This two-fold military and civil works mission of the Corps dates back to George Washington, himself an engineer, and the founding of the U.S. Army. Later it was determined that the government should have an engineering segment, which would alternate its emphasis between military and civil functions as the country moved between peacetime and wartime status. The basic thesis of this arrangement is that by using military men in civil works in peacetime we keep them sharpened for military engineering duties when needed. The feasibility of this theory is evidenced by the fact that Major General Carroll H. Dunn, who stood before this organization five years ago in the same capacity in which I am here today, is now Assistant Chief of Staff for Logistics for American forces in Viet Nam; and, as such, has jurisdiction over all engineering and construction forces in the encounter over there.

Since World War Two the Corps has completed construction of 21 dams and reservoir projects in Texas. Seven of these—Proctor, Navarro Mills, Canyon, Sam Rayburn, Bardwell, Waco and Somerville—have been completed in the past four years. These 21 projects provide 12.8-million acre-feet of flood storage space and nearly 5.6-million acre-feet of conservation storage capacity. This represents approximately 40% of the total capacity of all surface reservoirs in the state today and about 15% of the conservation storage capacity. Three more dams are under construction now—Stillhouse Hollow, in the Brazos River Basin; Pat Mayse, in the Red River Basin; and Wallisville, on the Trinity. They will add nearly one-half million acre-feet of flood control storage and over 370,000 acre-feet of conservation storage to the present totals.

Significant changes in water development concepts have come about since the early- and mid-forties when Lake Texoma was built as the first Corps of Engineers reservoir in Texas. Projects formerly were considered largely in terms of individual reservoirs or floodways to meet specific local needs for flood protection. In some of the early projects Congress included conservation storage for municipalities and industry, or hydro-electric power, as specific project purposes. In three basins—the Trinity, the Brazos, and the Neches-Angelina—the flood control concept was broadened to the creation of entire systems of reservoirs and floodways which can work in concert during periods of extensive flooding.

Federal agencies have always considered the full impact of proposed Federal activites within river basins. Their studies were comprehensive in that sense. However, many potential needs and uses of water resources were not thoroughly searched out, because under the law they could not be incorporated into Federal programs.

Since the passage of the Flood Control Act of 1958, all new Corps projects in Texas have been planned under the concept of developing available dam sites for the most feasible utilization for *all* purposes. Under the direction of Congress, we have broadened our basic flood control and navigation programs, to permit the facilities that we build for those purposes to be adapted to other purposes, such as water supply for municipalities and industries, irrigation, hydro-electric power, water quality control, recreation and others.

Today we still build on an individual project basis where such an approach fills special local needs. But we are concentrating more and more on comprehensive development of *entire river basins* as the most effective solutions to water needs. In Texas, comprehensive studies are now being made on the Red River, the Guadalupe, the San Antonio, the Sabine, the Neches, the Colorado, and the Brazos Rivers. An interim report on a study of navigation and bank stabilization on the Red River below Denison Dam has been submitted to Washington by the Lower Mississippi Valley Division, which has cognizance in that area. The Board of Engineers for Rivers and Harbors has approved a project for bank stabilization from the mouth of the Red River to Denison Dam and for navigation from the Mississippi River to Daingerfield, Texas, with recommendation that the reach from Shreveport to Daingerfield be made the subject of further study.

The Trinity River Plan, authorized by Congress in the River and Harbor Act of 1965, is a product of the most comprehensive basin-wide study completed in the United States up to that time. We are now in the first phases of implementing this plan. In its authorization of the Trinity program, Congress provided that the Corps of Engineers should make a re-evaluation study of the navigation economics phase. The original study was made on the basis of traffic potentials existing in 1958, when a traffic survey was made, and on a 100-year amortization basis, which Congress was encouraging us to use at that time. The new study will be based on current traffic potentials and a 50-year amortization period. Our Galveston District has largely completed a survey of shippers in the Houston area and is now working in the Dallas-Fort Worth area. The restudy will include an analysis of the feasibility for increasing the minimum width of the navigation channel from the presently-authorized minimum width of 150 feet to 200 feet, and for enlarging the size of navigation locks recommended in the original report. We are endeavoring to recomplete the re-evaluation at field level this summer.

An item in the President's fiscal year 1968 budget is an appropriation for advance Federal participation with the state in construction of five bridges required for new highways crossing the Trinity River. The total Federal share in the bridge construction work would be $12.3-million. The 1968 budget includes $4-million for the first year's work on bridges for State Highway 105, U.S. 190, State Highway 31, Interstate 635 and Interstate Highway 45. It is estimated that participation in building these bridges now to a height sufficient for navigation could save the Federal government several million dollars over the cost of raising them later.

Another Trinity River item of interest in the President's fiscal year 1968 budget is a suggested appropriation of $100,000 for beginning a pre-construction planning on the Lakeview Dam and Reservoir. This multiple-purpose project, to be located southeast of Grand Prairie on Mountain Creek, is one of the four new reservoirs included in the comprehensive plan. Construction is continuing on Wallisville Dam, near the mouth of the Trinity River, which is a part of the comprehensive plan but was authorized by Congress earlier. This salt water intrusion barrier and conservation storage reservoir includes a navigation lock to service the existing channel to Liberty.

Start of construction on four new dam and reservoir projects, in the portion of Texas within the Southwestern Division, is expected between now and the middle of next year. One of these is the enlargement of Lake Lavon, on the East Fork of the Trinity northeast of Dallas. The enlargement will raise the height of the dam eleven and one-half feet and increase the reservoir's conservation storage capacity by 280,000 acre-feet. The North Texas Municipal Water District has contracted for storage in the reservoir, to serve water needs of several North Texas communities. In another type of reservoir modification, early next year our Tulsa District plans to start the reconstruction of Lake Kemp at Wichita Falls, which was built by local interests. At about the same time the Fort Worth District expects to start construction of the Laneport and North Fork Dams and Reservoirs on the San Gabriel River near Georgetown.

The Corps has 12 other authorized dam and reservoir projects in various stages of planning. These include three reservoirs authorized as parts of the Trinity River comprehensive plan and the Lower Mississippi Valley Division's authorized Cooper Dam and Reservoir on the Sulphur River.

Though our usual water resources role is the more commonplace one of designing and building projects, Congress in recent years has given the Corps some assignments which

have entailed considerable pioneering and scientific research. Two of these studies, by our Tulsa and Fort Worth Districts, have introduced new approaches to problems of obtaining good, useable water for Texas municipalities, industries and irrigation. A study of natural chloride pollutions in the Red and Arkansas River Basins was conducted jointly with the U.S. Public Health Service. The Public Health Service located sources of natural chloride pollution in the Red and Arkansas River Basins, which materially limit the use of water from these basins. Over 60% of the Red River's chloride load was found to come from ten primary sources in the headwaters of the river. The studies have convinced us that the chloride sources in the two basins can be controlled in varying degrees. Findings indicate that impoundment of brine close to the source and diversion of fresh water around the salt source area, or a combination of the two, are the best control plans. In the Wichita River Basin, collection of low flows, which carry about 85% of the brine load, and pumping the brine to off-stream impoundment sites are expected to make Lake Kemp a much more dependable source of fresh water supply for Wichita Falls and vastly improve the quality of water flowing into Lake Texoma. Congress, in its last session, authorized construction of the recommended water quality measures on the Wichita River. In other areas of the basins, our recommendations have been for subsurface cutoff and collection of brines in a conduit for pumping to a disposal site. On main streams, where there are salvageable quantities of fresh water, we believe control can be accomplished best by impoundment of brines in the stream bed and diverison of the fresh water in a by-pass channel around the brine impoundment. Through these and other innovations, we anticipate a break-through toward solving the salt problems of the Arkansas and Red River Basins. Our Fort Worth District also has been conducting some salt studies in the Brazos River Basin, which has somewhat similar problems.

The second unique search for development of a source of potable water was made in the Edwards Underground Aquifer near San Antonio. The purpose of this study was to determine the feasibility of capturing surface water for recharging the underground reservoir. The aquifer is a water-bearing layer of limestone 350 to 500 feet thick, several miles wide, and about 175 miles long, underlying portions of the Guadalupe, San Antonio and Nueces River Basins. In floodtime, water moves down the river channels faster than the aquifer can absorb it. This not only wastes the water but also causes flood damage downstream. Our plan is to build four reservoirs, which would retain flood flows and increase the rate of recharge of the aquifer. The plan is now being reviewed by interested Federal and State agencies.

At the request of state interests, Congress has approved a study by Federal agencies, including our Fort Worth District, to determine the feasibility and possible extent of Federal participation with the state in implementing provisions of the Texas Water Plan. The District is working on the study now and expects to have it completed by the summer of 1968. We are encouraged to see that those in authority in the state government are willing to tackle the complex problems of Texas water needs and trying to develop a workable approach to meeting them.

In today's world of water resources development, environmental considerations and problems are becoming increasingly prominent. The Corps of Engineers and other builders of civil works projects find themselves more and more in the role of environmental planners. Urban dwellers want to be able to emerge from their high-rise apartments, get off their paved streets, and find green fields, wooded hillsides, and clear, free-running streams somewhere nearby. They deplore what has happened to the air they breathe, the landscapes of yesterday, the woodlands and rivers. Although wholesome outdoor environments may be available in remote parts of the country, that does not satisfy them. They want these things within easy reach of a weekend outing, if not an afternoon picnic.

Therefore, the enhancement of esthetic values, the preservation of natural beauty, the provision of recreational opportunities, and the conservation of fish and wildlife have become factors of increasing prominence in the water resources field. Due allowance must be made for the effect of future development on the entire natural environment.

The Corps of Engineers has employed wildlife, park, outdoor recreation, and other specialists on its staffs for many years, and sought the expertise of other agencies. We are now strengthening our capability to respond to the growing need to preserve environmental resources while meeting the essential needs of development in our expanding economy. In the Southwestern Division and the other Divisions of the Corps we have established Environmental Resources Branches within our planning organization. It is their responsibility to see that environmental considerations are included from the start in all of our planning and program formulating activities. We are seeking and securing improved working relationships with the conservation groups and organizations. Our purpose is not just to explain our activities to them, but also to acquire a better understanding of their needs and views.

A natural progression in the building of water resources projects is that from construction to operation. In recent years the Corps of Engineers has become a major operator and custodian of completed reservoirs. We now have 48 of these in the Southwestern Division, all but four of which have been completed since World War Two. As I mentioned earlier, 21 of these are in Texas. Last year our Texas reservoirs, including the portion of Lake Texoma this side of the Oklahoma state line, recorded over 29 million visitors. This is nearly twice the *national* total of visitors to Corps of Engineers reservoirs in 1950. This explosive expansion of the public's use of our reservoirs for recreation purposes has made the provision of facilities to accommodate the crowds a major consideration not only in our operations but also in construction and planning of new projects. In plan formulation, economic evaluation, and cost allocation, recreation is now treated as a full partner with other purposes of water resources development.

Another subject to which renewed interest is being applied is the Corps Flood Plain Management Services program. One important element of this program is the preparation, on request, of detailed flood plain information reports delineating the flood hazard in any given area. It also provides technical service and guidance to state and local governments to assist them in developing appropriate flood plain management procedures. I want to point out that flood plain regulation is not considered a substitute for the construction of flood control facilities wherever they are most suitable. However, the management of flood plain utilization can be used as a valuable adjunct to the established flood control program.

The new challenges and changes which are transforming our water resource development programs underscore the fact that we must all work together, and act together, with full cooperation among all levels of government, as well as private interests, if we are to solve all of the difficult problems involved in meeting the broad demands of the public of the future.

I appreciate this opportunity to be with you. This association is in an advantageous position to keep the people of Texas informed about water-related problems affecting their present lives and their future hopes. I am confident that you will continue to carry on with foresight and enthusiasm.

[From Texas Water, April 1967]

THE RECLAMATION PROGRAM IN TEXAS

(By Leon W. Hill, Regional Director)

(EDITOR'S NOTE.—Following is text of remarks of Leon W. Hill, Regional Director, Bureau of Reclamation, Amarillo, to the 23rd Annual Meeting of the Texas Water Conservation Association in Austin, March 12–13, 1967.)

It is a real pleasure to meet with my Board of Director to report on the Reclamation program in Texas. My report will cover three phases; namely, construction, activities under the small projects loan program and the general investigation program.

CONSTRUCTION PROGRAM IN TEXAS

For all practical purposes all authorized construction work in the State of Texas will be completed this year.

Canadian river project

The Canadian River Project is now 95% complete. The remaining work consists of completion of recreation facilities at Lake Meredith, general cleanup, and testing the pumping plants and aqueduct. During the testing period this summer water will be made available on a limited basis to project cities where needed to meet their summer peaks. The system will be ready for full operation January 1, 1968; and it is expected that the Authority will assume responsibility for operation and maintenance of the project at that time.

Mercedes division, lower Rio Grande project

The Mercedes Division rehabilitation work is 96% complete. However, it is expected that some pipeline construction and drainage work will continue into next year. All remaining work is being performed by District forces and the entire construction program was closely coordinated with the District's operation and maintenance activities.

Pecos River Basin water salvage project, New Mexico-Texas

For the Pecos River Basin Water Salvage Project in New Mexico and Texas a total of $2,500,000 has been authorized to initiate the first clearing of salt cedars and other phreatophytic growth in the Pecos River Basin. A portion of this work is in Texas, from the state line to Mentone, Texas. The result of this work in water salvage, improved land, and quality water will be beneficial to Texas. The first contract will be awarded this month.

To summarize the construction phase of my report, approximately $164 million in constructed works has been invested in the State of Texas in the last 60 years. This compares to a total of about $8 billion of Reclamation works in the 17 western states. In other words, Texas to date has had only 2% of the Reclamation construction work.

SMALL RECLAMATION PROJECTS ACT

We currently have an active program in the State under the Small Reclamation Projects Act of 1956. At the present time this work is being carried on principally in the Lower Rio Grande Valley. The Hidalgo County Water Irrigation District No. 1 (Donna Division) has completed rehabilitation of its distribution and drainage system and the Cameron County Water Control and Improvement District No. 1 (Harlingen Division) has substantially completed rehabilitation of its irrigation system under this program.

The loan application for Cameron County Water Control and Improvement District No. 5 (El Jardin District) has been approved,

and funds to start construction have been included in the FY 1968 budget.

Loan applications have been received from the following Districts:

Cameron County Water Control and Improvement District No. 4 (Santa Maria District).

Cameron County Water Control and Improvement District No. 13 (Arroyo Gardens District).

Loan application reports are now being reviewed in my office for the following Districts:

Cameron County Water Irrigation District No. 2 (San Benito).

Cameron County Water Control and Irrigation District No. 19 (Adams Gardens).

Hidalgo and Willacy Counties Water Control and Improvement District No. 1 (Willacy).

The Zavala-Dimmit Water Improvement District No. 1 at Crystal City has submitted a Notice of Intent to apply for a small projects loan.

PROJECTS SUBMITTED TO CONGRESS

I want to report to you briefly on the projects that have been submitted to Congress.

Columbus Bend project

The plan of development for the Columbus Bend Project provides for construction of the Columbus Bend Dam and Reservoir on the Colorado River between Columbus and La Grange. The reservoir would be operated by the Lower Colorado River Authority as an addition to its system of existing reservoirs on the Colorado River above Austin. The project report was transmitted to the Congress in 1961, and hearings have been held before subcommittees of the Senate and House Interior and Insular Affairs Committee. No further action is contemplated on this project.

Palmetto Bend project

The Palmetto Bend Project would be located in the Lavaca-Navidad River Basin in Jackson County, Texas. The project plan provides for construction of the Palmetto Bend Dam and Reservoir and associated recreation facilities on the Lavaca and Navidad Rivers about four miles north of their confluence. The project report was submitted to Congress in 1965 and bills to authorize construction of the project have been introduced in the current session of Congress.

Red Bluff project

Legislation has been introduced in the Congress seeking authorization of the Red Bluff Project. The Bureau furnished the District an engineering report which was used as a basis for the legislation. The plan proposed construction of a diversion dam on the Pecos River and 110 miles of concrete-lined main canal to project lands. The plan contemplates that the District would rehabilitate existing systems of the seven irrigation districts to permit the delivery of water from the main canal to project lands and would construct any drainage works that may be needed.

American Canal extension (Chamizal)

Legislation has been introduced to authorize the American Canal extension as a supplement to the Chamizal Treaty. Work would be located along the Rio Grande near El Paso. It would consist of enlarging about 1.1 miles of existing canal and construction of about 13 miles of new canal located on the American side of the Rio Grande. The canal would supply irrigation water to the Rio Grande Project.

PROJECTS IN TEXAS UNDER INVESTIGATION

In rounding out this report on our Reclamation program in Texas, I want to call your attention to the projects that are under investigation in the state.

Cuero project

The Cuero Project would be located in the Guadalupe River Basin in DeWitt and Gonzales Counties, Texas, and would consist of the construction of Cuero Dam and Reservoir and associated recreation facilities on the Guadalupe River and Sandys Creek, a tributary, a short distance upstream from their confluence. Completion of the Secretary of the Interior's report on this project is being withheld pending receipt of the review comments from the State of Texas. Submittal of the Governor's views and recommendations on this report is awaiting completion of the State Water Plan by the Texas Water Development Board.

Nueces River project (Choke Canyon)

The project would be located in the Nueces River Basin in Live Oak and McMullen Counties, Texas. It would consist of the construction of Choke Canyon Dam and Reservoir and associated recreation facilities on the Frio River, a tributary of the Nueces. A draft of the proposed report on this project has been prepared and is currently being reviewed at field level by interested state and federal agencies.

Cibolo project

This project would be located in the San Antonio River Basin in Wilson and Bexar Counties, Texas, and would consist of the construction of Cibolo Dam and Reservoir and associated recreation facilities on Cibolo Creek, a tributary of the San Antonio River. The proposed report on this project is scheduled for completion this year.

Texas basins project

Our report on the Texas Basins Project known as "Burleigh's Big Ditch" was completed in 1965 and submitted to the Commissioner of Reclamation. Further processing of the report has been held in abeyance pending completion of the state's water plan. The report has been submitted informally to the Governor of Texas by the Secretary of Interior for consideration by the Texas Water Development Board in formulating the statewide water plan.

The Texas Basins investigation included reconnaissance studies of the Baffin Bay, Sinton, and Lower Rio Grande Irrigation Units. We are currently updating the studies on these units and preparing a feasibility grade designs and cost estimates.

Also under investigation are two units which are not considered in the Texas Basins Report and for which reconnaissance studies are needed. These are the West Texas Water Supply Unit and the Winter Garden Unit. The West Texas Water Supply Unit comprises the western part of the state, excluding the Panhandle and that portion lying in the Red River Basin. The West Texas Unit would involve works on the Colorado River through construction of new dams and pumping plants that together with existing dams would provide a continuous series of reservoirs on the river from the coastal area to the upper end of the basin. The Winter Garden Unit consists of the potential irrigation unit suggested by the Texas Water Development Board in its recently published proposed Texas Water Plan. The potential plan for this unit includes diversion of the major water supply from the Rio Grande downstream from Amistad Dam to supply existing and potential new irrigation in the Winter Garden area in the upper Nueces River Basin. However, this unit would depend on exchange of water which would be supplied through the Texas Basins Intercoastal Canal.

West Texas and eastern New Mexico import projects

Funds for the study of the West Texas and Eastern New Mexico Import Project were included in the 1967 appropriations bill and were made available to the Bureau of Reclamation to begin studies in January 1967. This study will consist of a broad investigation of the potentialities of importing water to West Texas and Eastern New Mexico from the Mississippi River system. It will take about a year to define the possibilities and select the most promising ones. Following completion of an interim report, a reconnaissance study of the plans that appear to have the greatest potential will be initiated.

PROJECT FEASIBILITY

To qualify for development under the Reclamation program, a project must (1) have a favorable cost benefit ratio and (2) be capable of repaying the reimbursable costs within 50 years. Costs allocated to irrigation may be repaid without interest. Costs allocated to municipal and industrial water are repaid with interest at rates equal to those the United States pays on its long-term obligations.

Finding irrigation projects that meet the repayment requirements is an increasingly difficult task. As you know, power is referred to as the paying partner in many Reclamation projects of the West. For example, Glen Canyon Dam on the Colorado River is the cash register for the Colorado River Storage Project and all participating projects. The San Juan-Chama Project in Region 5 is one of those participating projects. In this project, all irrigation costs in excess of the irrigators' ability to repay are to be repaid from New Mexico's share of the power revenues.

We have no such cash registers in Texas. With the exception of the San Juan-Chama Project in New Mexico there are no such cash registers in Region 5. Thus, our planning efforts have been directed toward projects which combine irrigation and municipal and industrial water that can meet repayment requirements. The Texas Basins Project is an example of this type of combination. In addition, we in Region 5 have pioneered the field of water supply development for municipal and industrial purposes where no irrigation is involved. The Canadian River Project is one of the largest such projects undertaken by the Bureau of Reclamation.

As we investigate the possibilities of large-scale water movements to the West Texas area, we must bear in mind the feasibility tests which I have heretofore discussed. I think we can expect that costs of moving water to West Texas will likely be more than irrigators can repay. Thus, it may be helpful to cite a few examples of how the differences between costs and repayment ability have been handled in this Region. In the San Angelo Project in order to meet repayment requirements, the city of San Angelo agreed to repay costs allocated to irrigation that were in excess of what the irrigators could be expected to repay. By this means, the San Angelo Project met the test of repayment feasibility. Another example is the Washita project in the State of Oklahoma. This project combined municipal and industrial water with irrigation development. To meet repayment requirements, the municipal and industrial water users agreed to continue annual payments at the same rate until all costs allocated to irrigation have been repaid.

Another means of meeting the repayment problem is what we refer to as conservancy district repayment. This type of organization has been used in three instances in New Mexico. Briefly, a conservancy district with powers to tax assumes the obligation to repay all costs. Irrigated lands of the district are assessed costs up to their repayment ability, and the remaining costs are assessed against all other properties of the district. In two cases in New Mexico nonirrigated properties of the district are responsible for repaying 20% of the project costs. In the Middle Rio Grande Conservancy District with headquarters in Albuquerque, the nonirrigated properties pay 75% of both capital costs and annual operation and maintenance

costs. In the latter case, the repayment assignment is justified partially on drainage and flood protection.

[From Texas Water, April 1967]

THE SCS ROLE IN TEXAS WATER RESOURCES PLANNING AND DEVELOPMENT

(By H. N. Smith)

(EDITOR'S NOTE.—Following is text of remarks of H. N. Smith, State Conservationist, Soil Conservation Service, Temple, to the 23rd Annual Meeting of the Texas Water Conservation Association in Austin, March 12–13, 1967.)

The current role of the Soil Conservation Service in water resource planning and development is authorized by the Flood Control Act of 1944 and by Public Law 566, 83rd Congress, as amended. The 1944 Act applies in Texas only to the upper 8,250,000 acres of the Trinity River Watershed, a 5,000,000-acre segment of the Colorado River watershed and the portion of the Washita River Watershed in the Texas Panhandle. P.L. 566, the Watershed Protection and Flood Prevention Act, is applicable to the remainder of Texas.

There is no limitation on the size of a subwatershed for which a plan can be developed under the 1944 Act. P.L. 566 limits the size of an individual watershed project to not more than 250,000 acres. However, a number of subwatersheds, when they are component parts of a larger watershed, may be planned together when the local sponsoring organizations desire.

No single structure under either Act currently may be planned with more than 12,500 acre-feet of floodwater detention capacity or with more than 25,000 acre-feet of total capacity for all purposes.

Before the SCS may assist in any watershed development program, an application for such assistance must be submitted to and approved by the Texas State Soil and Water Conservation Board, as designated by the Governor. Only combinations of subdivisions of State Government can sponsor such watershed projects. The SCS follows the recommendations of the SSWCB in regard to priority of assistance to applicants.

The purposes which may be included in a watershed program under both Acts are:

1. Land use and treatment.
2. Flood damage prevention, including channel improvement.
3. Sedimentation prevention.
4. Municipal and industrial water.
5. Irrigation—from supplemental storage or sediment pools and by stream diversion.
6. Drainage.
7. Recreation.
8. Fish and wildlife habitat.
9. Prevention of land destruction by streambank cutting and gullying.
10. Groundwater control and use; a. Recharge; b. Level control and correction; c. Use.
11. Pollution abatement.
12. Augmentation of low flows for livestock water and other purposes.
13. Natural salt water source control and intrusion prevention.

Land use and treatment and flood damage prevention must be included as purposes in all watershed plans. Others are included in accordance with need and the availability of local sponsors for each purpose.

Federal cost-sharing under these Acts varies by purposes. Local sponsors must furnish all needed land rights without cost to the Federal Government for all purposes other than public fish and wildlife or recreation developments. They must also operate and maintain all structural measures. They must obtain all needed water rights under State laws. The Federal Government bears 100% of all costs attributable to flood and sedimentation damage prevention. For fish and wildlife or recreation developments, the SCS is authorized to bear not to exceed one-half of the cost of land rights of the additional storage capacity and minimum basic facilities needed for public health and safety and access to and use of such reservoir for these purposes.

The SCS may cost-share also in works of improvement which are applicable to the agricultural phases of the conservation, development, utilization and disposal of water and underground water recharge.

Other than Federal funds must bear all costs associated with providing additional capacity for municipal or industrial water in floodwater retarding structures and for pollution abatement, streambank erosion and low flow augmentation.

The SCS "may pay for any storage of water for anticipated future demand or needs for municipal or industrial water included in any reservoir structure constructed or modified under the provisions of these Acts not to exceed 30% of the total estimated cost of such reservoir structure where the local organization gives reasonable assurance, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment of the cost of such water supply storage within the life of the reservoir structure." The repayment period may not exceed 50 years. No repayment need be made until the water supply is first used but in no case shall the interest-free period exceed 10 years. These provisions of these Acts are comparable, essentially, to those under which other Federal Departments may provide storage capacity for municipal and industrial water for anticipated future demand.

It is my belief that the State of Texas and many small communities of the State need to make use of these provisions of these Acts in providing for future municipal water needs. Many opportunities for providing additional water supplies of from a few hundred to a few thousand acre-feet are being passed due to lack of State or local sponsorship.

The Secretary of Agriculture, through the Farmers Home Administration, may make loans to local organizations to finance the local share of costs of carrying out works of improvement provided for in these Acts. The interest rate on these loans is the same as paid by the Federal Government on its marketable public obligations at the beginning of the year in which the loan is made. The repayment period of these loans may not exceed 50 years. No loan may exceed five million dollars.

As of March 1, 1967, the Texas State Soil and Water Conservation Board had approved 146 applications for assistance under P.L. 566 and had seven additional applications pending consideration. Seventy-nine of these have been approved for planning by the Administrator of the SCS. Fifty-two have been approved by the Congress or by the State Conservationist for operations. About 12 more will be ready for approval by the Congress this year. In addition, 51 subwatersheds have been approved for operations by the Service under the Flood Control Act of 1944. Applications under P.L. 566 are being received faster than they can be serviced. Planning had not started by March 1, 1967, in 72 watersheds approved by the SSWCB. On the same date last year this figure was 63. The number of watersheds awaiting planning assistance would be much larger except for trust funds made available to SCS by the State of Texas and local subdivisions of State Government. For example last fiscal year the State provided $125,000 and local sponsors over $80,000. This represents 57% of our total P.L. 566 planning funds. Planning under the Flood Control Act of 1944 is done exclusively with Federal funds.

As of January 1, 1967, 2,142 floodwater retarding and multipurpose structures had been planned in Texas by the SCS and 1,181 had been completed or were under construction. Planned also were 1,008 miles of stream channel improvement and drainage ditches, with 143 miles completed.

Some of the multipurpose structures on which agreements have been entered into with subdivisions of State Government are:

For *flood prevention* and *municipal water* with Kaufman, Coolidge, Alvarado, Brady, Sherman (2), Howe, Bells, Clarksville and Alice. With the exception of the Brady reservoir (24,000 a.-f.), the municipal water capacity in these structures has ranged from 400 to 7,000 acre-feet.

For *flood prevention, municipal water* and *recreation* with Decatur, Mansfield Clyde, Sherman and Canton. In these reservoirs, municipal water capacity has ranged from 1,000 to 6,400 acre-feet and recreation capacity from 1,000 to 4,500 acre-feet.

For *flood prevention* and *recreation* with Bartlett, Denison, Grayson, Madisonville and the Attoyac Bayou Watershed Authority. Recreation capacity in these reservoirs ranges from 314 to 6,600 acre-feet.

Water stored in multipurpose structures for recreation with cost-sharing by the SCS and under a water right from the Texas Water Rights Commission could be used temporarily under severe drought conditions for municipal water purposes without infringement on the project agreement between the local sponsor and the SCS. Permanent planned use of water in the recreation capacity of a reservoir for municipal and industrial purposes could be made with the approval of the Texas Water Rights Commission and by refunding to the SCS its cost shares for recreation capacity, basic facilities and land rights.

The SCS, on request and as resources permit, makes sedimentation surveys of publicly owned water supply reservoirs. These surveys are to determine loss of capacity and projected useful life and to indicate measures to reduce sedimentation rates. Some of the reservoirs for which such surveys have been made in recent years include: Lake Kemp, Lake Brownwood, Lake Cherokee, Mountain Creek Lake (Robert Lee), Dawson City Lake, Century Lake (Sulphur Springs) and Lake Stamford. One is pending on Lake Amon Carter for Bowie.

P. L. 566 has been amended several times to broaden its purposes. Such amendments are made to apply, generally, to the watersheds included in the Flood Control Act of 1944. Several bills to further amend P. L. 566 have been introduced into the 90th Congress. In H. R. 1451, our own Representative James C. Wright has recommended that (1) water quality management be included among the purposes for which Federal cost-sharing is available in upstream watershed projects, (2) the USDA be empowered to enter into agreements, based on conservation plans, with landowners in watersheds to cost-share on land treatment measures over a period not to exceed 10 years, and (3) that Federal funds, other than P.L. 566 funds, be authorized for use in purchasing needed easements and rights-of-ways. In my opinion, these are very desirable additions to the Act to meet the needs of broader watershed programs in Texas.

Streambank erosion control and erosion control on county and local roads have been proposed in other amendments as cost-sharing purposes for pollution and sedimentation prevention. It is true that the most common pollutant of streams is sediment—"mud" if you prefer that term. You cannot have "clean, clear water" in streams of watersheds with significant erosion of agricultural land, urban areas, streambanks or roads and highways.

The SCS continuously studies the effect of planned floodwater retarding structures on water yield of major water supply reservoirs. Funds are provided also by SCS to the U.S. Geological Survey for studies through

instrumentation of floodwater retarding structures.

A recently published report of a 1966 study of the effect of 87 planned structures on Denton Creek watershed on Grapevine Reservoir is typical of such studies. The 87 floodwater retarding structures will control potential flood flows from 239 square miles of the drainage area of Grapevine Reservoir.

Reservoir operation studies for the period 1941 through 1957 were made to determine the effect of floodwater retarding structures on the water yield of Grapevine Reservoir. These studies include reservoir operations with and without floodwater retarding structures of the drainage basin for reservoir conditions that existed in 1958 and those expected 50 and 100 years after floodwater retarding structures are built.

The results of the study are presented to show the effects of floodwater retarding structures on water yield for Grapeville Reservoir for conditions existing at the time of installation of the structures and for conditions 50 and 100 years after their installation.

The study results show the following effects on Grapevine Reservoir:

1. A reduction in dependable yield at the time of installation of the upstream structures of 2,500 acre-feet annually or 7%.

2. An increase in dependable yield 50 years after upstream project installation of 1,300 acre-feet or 4%.

3. An increase in dependable yield 100 years after upstream installation of 2,300 acre-feet or 8%

4. Annual sediment accumulation in Grapevine Reservoir reduced from 470 to 270 acre-feet.

5. After 100 years Grapevine Reservoir would have about 20,000 acre-feet more capacity with the upstream project than without.

6. The average annual inflow to Grapevine Reservoir will be reduced from 153,860 to 150,655 acre-feet (2.08%) after the floodwater retarding structures are installed. This reduction also will decrease as the sediment storage capacity of these structures becomes depleted.

I think you know that the only capacity designed into a floodwater retarding structure is for sediment storage and the temporary detention and automatic release of floodwaters. Thus no capacity is included for water storage for any beneficial use under Texas law unless the local sponsors have obtained a permit from the Texas Water Rights Commission.

Similar studies were made of the effects of planned works of improvement above Lake Brownwood in 1962 and above Lake Tawakoni in 1966–67. In both of these studies the results in general were the same as in the Grapevine Reservoir study. In each study it is noted that reservoir yields will be decreased at the time floodwater retarding structures are installed. It is significant, however, that in the future, when demands are expected to be higher, yields will be increased. Copies of these reports are available upon request.

The SCS is participating in comprehensive river basin investigations with other Federal and State agencies. Currently, such investigations are underway in the Red River basin below Denison Dam, the Sabine River basin and the Lower Rio Grande basin and adjacent areas in Cameron, Willacy and Hidalgo Counties. The Sabine investigation is due for completion in June 1967. The others should be finished in June 1968. Additional basin investigations scheduled include the Rio Grande Region and the Texas Gulf Region to start in fiscal years 1969 and 1970, respectively, and to be completed in 1972.

Texas water resource planning and development must include consideration of many factors, conditions and projections. Consumptive use for all purposes, whether economically productive or not, must be a major consideration. The effect of land use and treatment, kinds and amount of vegetative cover by economic and noneconomic plants are conditions that must be evaluated because they influence water and sediment yields and are changing.

One of these conditions which is continuing an insidious change is under constant study by the SCS. A survey by the SCS of the extent and density of undesirable woody plants (brush) on Texas grasslands in 1963 revealed that 82% (88½ million acres) have significant infestations. Fifty percent of these grasslands were classified as having dense stands (20% or more canopy.) Such plants are "water-hogs" as compared to grass. Texas A&M University has estimated that approximately 40% of the water that falls on Texas is used by uneconomical plants. Studies underway by the SCS indicate the possibilities of increasing the water yield of Texas streams by five to ten million acre-feet per year by programs resulting in effective reduction and control of present brush infestations on 50% to 80% of the acres involved. We will issue soon a report on these studies.

In spite of efforts by landowners and cost-share programs of the USDA, total brush infestation has increased. Surveys by the SCS in 1948 and 1963 indicate an increase of 3½ million acres of cedar and 1¼ million acres of mesquite. Comparable increases in many other species have occurred.

Water resource planning and development have many aspects requiring the best thoughts, efforts, research and complete "togetherness" in spirit and in fact by all State and Federal agencies, with the State providing ever-increasing leadership.

THE CRISIS IN THE NEAR EAST

Mr. SCOTT. Mr. President, the situation in the Near East has developed into the gravest of possible eventualities.

At a meeting with General Eisenhower in Gettysburg early this morning, he and I discussed with the gravest concern the crisis which developed just hours before our meeting.

Since the U.N. Secretary General precipitately removed the U.N. peacekeeping force, there has been a steady buildup of troops along the Israeli borders. Full military mobilization on both sides was accompanied by near-hysterial threats by the Arab leaders, who were egged on by the Soviet Union.

With masses of troops facing one another, it was almost inevitable that a spark would set off full-scale fighting.

The war in the Near East today is not only a tragedy for those who are engaged in the battles, but also poses the most serious threat of developing into a general world conflagration.

This is a responsibility of the whole international community, and we must pray that men of good will everywhere will deal with it promptly and intelligently.

The United Nations or a concordance of world nations, led by the great powers, should move immediately to stop the fighting and to insure the territorial integrity and national sovereignty of all participants in the fighting.

We should strive to put back on the scene an international peacekeeping force and keep it there regardless of the bluff and bluster of one of the combatants. Such a force should be subject to the control of the Security Council or the General Assembly and not of the Secretary alone.

If the fighting can be halted, however, we must not stop short of a full and fair solution, one that has been avoided for the past 19 years. We must strive to bring all the contending parties to a peace table so that they can live, grow, and develop for their mutual benefit.

Mr. President, I ask unanimous consent that statements on the Near East situation, which I made on May 30 and June 4, be printed in the RECORD.

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

STATEMENT OF MAY 30, 1967

In the explosive situation in the Near East, I hope that the nations of the world do not lose sight of certain fundamentals.

The United States is deeply committed to the preservation of free institutions and the sovereignty of free nations. Recent history demonstrates that the United States meets its commitments.

The present crisis in the Near East developed when the Secretary General of the United Nations made a serious mistake in judgment when he withdrew the U.N. peacekeeping force from the buffer zone between Israel and Egypt. That action should make us examine again the frequent statements by the Secretary General about the maintenance of peace in many parts of the world. I am concerned that the Secretary General is missing the point—in both the Southeast Asia and the Near East—about who is the aggressor.

The action by Egypt's dictator in attempting to close the Gulf of Aqaba is a threat not only to Israel shipping but to the right of free passage for all nations.

The free world nations must not permit an international waterway to be blockaded on the whim of a dictator who is trying to restore his sagging political fortunes at home.

As President Johnson said, "The United States considers the gulf to be an international waterway and feels that a blockade of Israeli shipping is illegal and potentially disastrous to the cause of peace. The right of free, innocent passage of the international waterway is a vital interest of the international community."

I commend the people of Israel for showing remarkable restraint under the most difficult of provocations. I commend the international community for its efforts to remedy an extremely dangerous situation.

We in the free world must reassert our determination—stated long ago—to assure the safety and integrity of the State of Israel and we must do everything within our power to assure the rights of free passage in the Gulf of Aqaba.

STATEMENT OF JUNE 4, 1967

I have been concerned about the existence of the State of Israel since before there was a State of Israel.

I believed then, and I believe now, that it is in the interest of the United States to have free representative government in the Near East.

It is further in the interest of the United States to have as its ally a country that shares our views on the major issues facing the world and is willing to fight for the beliefs which we share.

The threat to the existence of Israel is not new, but it has now become very much more severe. The threat is not alone the element of trigger-happy Arab countries, but the situation of a posturing dictator in Cairo who is being egged on by the Soviet Union.

What are the potentialities of that situation?

There is no question in my mind that the United States fully intends to keep its commitment to Israel, as it has kept its commitment to other freedom-loving countries in the world. If anyone was ever in doubt about the United States honoring its pledges,

he need only look at the terrible price we are paying in Vietnam.

Just how do we go about keeping our commitment? That is a decision that must be made by the President, who is our Commander-in-Chief.

At the risk of offering him unsolicited advice, I would say I disagree with some of the things he is doing, while I agree with other moves currently underway.

I do not think anything will be accomplished by working through the United Nations.

The present crisis in the Near East developed when the Secretary General of the United Nations made a serious mistake in judgment by withdrawing the U.N. peacekeeping force from the buffer zone between Israel and Egypt.

By his action, he pushed the United Nations to the level of an impotent debating society. I do not think anything is ever going to be accomplished in an international crisis of this sort by delaying decisions until we have heard all the consecutive translations.

On the other hand, I think the President is wise in seeking a multilateral approach through direct dealing with Great Britain and other maritime nations, 14 of whom asserted the freedom of these waters in 1957. They have as much at stake as we do in the right of free, innocent passage of an international waterway.

A multilateral statement should be pressed for now in asserting maritime rights and should not await long U.N. debates.

This Senator believes that the U.S. meets its commitments.

I will bring to bear whatever influence I have to make sure that my views and yours are brought to the attention of the man in the White House who has the lonely job of making the ultimate decisions on how we go about it.

DEATH OF LLOYD V. BERKNER

Mr. ANDERSON. Mr. President, we were all terribly saddened by the untimely passing of Lloyd V. Berkner, one of our Nation's most outstanding scientists.

His pioneering work in radio and atmospheric physics has secured for him a well-deserved reputation among his scientific colleagues. His military efforts led to the development of the early warning system, an immeasureable contribution to this country's security.

He will probably best be known, however, as the father of the IGY—International Geophysical Year—in 1957–58, probably the most successful large-scale cooperative scientific enterprise in history.

As Chairman of the Space Science Board of the National Academy of Sciences, his contributions to our space program have been of tremendous importance. For these contributions he received the NASA Public Service Medal last October. He also testified and has given valuable council to the Committee on Aeronautical and Space Sciences on many occasions.

Mr. President, I ask unanimous consent that a list of achievements of Dr. Berkner be placed in the RECORD at this point.

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

STATEMENT OF ACHIEVEMENTS OF LLOYD V. BERKNER

Father of the International Geophysical Year, champion of the North American distant early warning system, author of "Science and Foreign Relations," advocate and sponsor of the first national radio astronomy observatory, past president of the International Council of Scientific Unions, and for 10 years responsible for the destiny of the Brookhaven National Laboratory, Lloyd V. Berkner has worked tirelessly for the progress of science on both the national and international scenes. At the same time he has sought to ensure that the advances of science would be used wherever needed to strengthen the United States and its alliance with the Free World.

It was Berkner's personal philosophy, somewhat ruefully expressed, that active participation in scientific research is for young men who can bring to their work the fresh imagination and physical vigor of youth. The years of maturity, he felt, should be devoted to the important areas of science administration and policy. Certainly Berkner's own career has exemplified this. Combining a keen intellect with extraordinary physical stamina, he pursued his scientific interests around the world.

His early work included a major role in the installation and operation of the communications system for the first Byrd Antarctic expedition. He utilized this unique occasion to make studies of long-range radio propagation.

Many of Berkner's contributions to ionospheric research and related fields coincided with his association with the Department of Terrestrial Magnetism of the Carnegie Institution of Washington. One of his first accomplishments was the design and construction of the first sweep frequency ionospheric sounder. This provided a major tool for his own subsequent research investigations as well as those of his colleagues.

His early investigations lead him to discoveries of the F_1 and F_2 layer separation, the elucidation of Dellinger fade-outs, the specification of ionization density with sunspot variation, and the inter-relationship between ion density and geomagnetic variations, including the phenomena of ion layer disappearance during intense geomagnetic activity (storms).

During his tour of active duty with the Navy in World War II, he is credited with a large share of responsibility for the success of naval airborne radar, communication, and identification equipment. He also introduced the "systems" aspect of dealing with electronic installations. This became a "must" as electronic devices in aircraft proliferated and became more sophisticated. His support of research, his organizing skills, and his ability to expedite the engineering for production of innovations all contributed materially to the U.S. war effort.

In government Berkner has made important and continuing contributions to both military and civilian scientific programs. As first Executive Secretary of the Research and Development Board of the Department of Defense, he exerted a strong influence on the coordination of the research and development programs of the three branches of the armed services. For the first time each of the three services became aware of what the other was doing in the field of research and development, and this knowledge made it possible to eliminate unnecessary duplication and to fill important gaps. He was one of the first to become aware of the seriousness of the air navigation and traffic problem and, under his leadership, an important report was issued by the Board—"Navigation and National Security" (March, 1948). At the request of Secretary of Defense Forrestal and Vannevar Bush, Chairman of the Research and Development Board, he instituted an inquiry into the problem of evaluating the relative importance of weapons systems to national security. The report of this Committee led to the establishment, in January 1949, the Weapons Systems Evaluation Group, which Secretary Forrestal described as "one of the most interesting and significant accomplishment in the work of unification of the military services." Despite numerous departmental reorganizations, weapons system evaluation has remained a continuing function of the Department of Defense and currently rests with the Institute for Defense Analyses.

Berkner was one of the strongest and most outspoken advocates of the feasibility of distant early warning at a time when the military were not convinced that the northern approaches to the United States could be protected by a radar network. Through his intimate association with Project Charles and his own knowledge of new breakthroughs in the field of electronics he was convinced that the North American Continent could and should be protected by a chain of radar stations stretched across the Arctic wastes. In a series of public addresses and magazine articles he consistently urged this position.

In company with a number of his distinguished colleagues, Berkner postulated making use of certain upper atmospheric anomalous ionization characteristics to permit "scatter" propagation of electronic signals. This has developed into a very useful and effective means of communication where normal systems are frequently inoperative due to disturbed conditions in the ionosphere.

In 1949 he was made Special Assistant to the Secretary of State for the purpose of organizing the military assistance program for members of the North Atlantic Treaty Organization, Greece and Turkey. Berkner effectively headed a committee composed of top-level representatives of the State Department, Department of Defense, and the Economic Cooperation Administration, which set out to prepare a plan and formulate objectives for meeting the needs of our allies for weapons and equipment. He played a leading role in successfully pleading the need for such a program before Congress at a time when foreign aid was a relatively new concept and there was little precedence for the type of aid represented in the military assistance program.

Following the completion of this assignment, he was asked by the Secretary of State to stay on to conduct a study on the relationships of science and foreign policy. Again surrounding himself with a committee of experts, Berkner made an extensive six-months study of the many ramifications of science in United States relations with other nations. The result was a definitive study, *Science and Foreign Relations,* released by the Department of State in June 1950. The report was described by the *New York Times* as "a document of first-rate political and scientific importance." In it, Berkner recommended the establishment of the post of Science Adviser to the Secretary of State, and he also recommended the appointment of science attachés in the principal capitals of the world—recommendations that have since been implemented.

In 1951 Berkner accepted the presidency of Associated Universities, Inc., a corporation composed of 9 eastern universities which operates the Brookhaven National Observatory for the Atomic Energy Commission. When Berkner assumed the presidency he gave the Corporation an identity of its own, establishing its business offices in Manhattan and drawing a strict line between administrative and fiscal management of the Laboratory and its scientific direction, which he wisely felt should properly reside in the director of the laboratory at Brookhaven.

Up to the time of Berkner's appointment AUI had been solely concerned with the operation of Brookhaven. Under his leadership the Corporation turned to a consideration of other scientific problems, including notably, radio astronomy. Although this new field was discovered by an American scien-

tist, Karl Jansky, in 1932, progress in the field had lagged in the United States through lack of instrumentation and organization. At the request of a group of astronomers, speaking through the National Science Foundation, AUI undertook an intensive study of what would be needed to put radio astronomy on a firm footing in the United States. The work of AUI was reviewed for the Foundation by a special panel on radio astronomy. AUI recommended and the National Science Foundation approved and supported the construction and operation of the first National Radio Astronomy Observatory, located at Green Bank, West Virginia.

Another significant project of AUI was an exhaustive study of the whole problem of civil defense undertaken at the request of the Department of the Army and the Federal Civil Defense Administration. This was known as Project East River and was headed by Major General Otto L. Nelson (Ret.). The study, which resulted in a multivolume report, was conducted by panels of experts and constituted an exhaustive review of every phase of civil defense—military and civilian. In addition to having responsibility for the general management of the project. Berkner also participated actively in the studies and in the preparation of the final report.

One of Berkner's outstanding achievements is unquestionably his relationship to the International Geophysical Year, the largest cooperative international scientific activity ever undertaken. Berkner is generally credited with having conceived the idea of the IGY. He first put forth the idea at an informal gathering of scientists who met on April 5, 1950 in the home of James Van Allen to greet the distinguished British geophysicist, Sidney Chapman. Two earlier attempts had been made at worldwide synoptic observations of geophysical data—the First Polar Year in 1882, and, 50 years later the Second Polar Year in 1932. Berkner proposed that the rapid advance of modern technology, the availability of new instrumentation, and the need for new and more comprehensive data made the time right for a new Polar Year. The proposal was eagerly taken up by geophysicists and the project became known as the International Geophysical Year. It was scheduled for an 18-month period in 1957–58, which would coincide with the period of maximum sunspot activity.

Not only did Berkner propose the IGY but he worked tirelessly for its realization. He was made Vice Chairman of the Special Committee on the International Geophysical Year appointed by the International Council of Scientific Unions. Later, as President of ICSU Berkner pressed for continued international cooperation in science in the newly developing field of space, in oceanography, and in Antarctic research.

As Chairman of the Space Science Board of the National Academy of Sciences, he has played an active role in the formulation of the United States space program.

A keen observer of the political and military scene as well as scientific affairs, Dr. Berkner has frequently given expression to his views in national periodicals. In his column of January 2, 1958, Walter Lippmann commented:

"The true nature of the challenge has been defined with brilliant insight in an article in the current 'Foreign Affairs,' written by Lloyd V. Berkner of the President's Scientific Advisory Committee. I hope I am not distorting Mr. Berkner's article in the following summary of his central thesis."

In 1960 Dr. Berkner turned his talents in a new direction. Responding to the concern of a group of Southwestern businessmen over the lack of graduate research facilities in the Southwestern United States, he accepted their invitation to organize the Graduate Research Center of the Southwest. With headquarters and facilities in Texas, the Center is designed as a cooperative effort involving the major universities in the states comprising the Southwest.

Mr. ANDERSON. Mr. President, an editorial in this morning's Washington Post very properly evaluates Dr. Lloyd V. Berkner's contribution in the scientific world. I ask unanimous consent that this editorial be inserted at this point in the RECORD.

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

LLOYD VIEL BERKNER

In every generation there are a few men whose personal careers reflect with precision the great changes that have come over the country in their lifetime. Lloyd Viel Berkner built his first radio transmitter as a schoolboy in Sleepy Eye, Minnesota, and in 1928 he joined an expedition to the South Pole. Three decades later he emerged as one of the most effective advocates of American exploration in space.

In those years American science had become a vast interwoven fabric of academic and Federal laboratories, foundations and private corporations, civilian operations and military operations. Mr. Berkner moved in this world, which he had signally helped to create, not only as a scientist of distinction but as an organizer and manager of extraordinary force and capacity.

Mr. Berkner was also a notable educator; his pupils were congressional committees and public opinion, and he labored arduously to explain to them the nature of scientific research and its requirements. During the 1950's the Government attempted, for a time, to protect its scientific advantages by a blind and excessive application of traditional military secrecy. Mr. Berkner was among the most influential of the scientists who, eloquently and at length successfully, persuaded the Nation that, in the field of science, secrecy did not mean security. Beyond clear and narrow limits, he repeatedly warned, secrecy would only damage American scientific advancement. To give further substance to this belief, he pushed the International Geophysical Year to a brilliant conclusion despite an otherwise bleak atmosphere in world politics.

His last great undertaking was the establishment of the Graduate Research Center of the Southwest in Dallas: he intended it to offset the migration of the Nation's scientific talent to the East and West Coasts. Although he had had the warning of an earlier heart attack, he deliberately chose not to abandon his strenuous preoccupations. He died yesterday, in the midst of this immensely promising new enterprise.

REPORT BY SENATOR CASE ON HIS FACTFINDING MISSION TO SOUTHEAST ASIA

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the senior Senator from New Jersey [Mr. CASE], reporting on his study mission to Vietnam and Southeast Asia. The statement is concise and expresses the good judgment that we always expect and receive from the Senator. I know that it will be of value and interest to the Senate and to all others who read it.

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

STATEMENT BY SENATOR CLIFFORD P. CASE ON HIS RETURN FROM A 3-WEEK STUDY MISSION TO SOUTHEAST ASIA AS A MEMBER OF SENATE APPROPRIATIONS AND FOREIGN RELATIONS COMMITTEES

I went to Viet Nam, not to probe the rights or wrongs of how we got where we are, but to try to assess for myself the situation as it now is and the alternatives that may be open to us.

I return with a view of the war that, I regret to say, can only be described as somber.

The scope and intensity of the conflict in South Viet Nam show no sign of diminishing. On the contrary, the most realistic assessment of the current military situation appears to be that allied forces—American, South Vietnamese, South Korean and others—are not losing the war but also are not winning it, at least as yet.

I regret to report that I saw and heard nothing to indicate any possibility of a negotiated peace in the foreseeable future, short of a willingness on our part to abandon our objectives.

Those objectives are limited: to help prevent the forcible takeover of South Viet Nam by Communist forces waging a "war of national liberation," and to assist the people of South Viet Nam to establish an independent and viable nation.

Whether or not we should have interceded as we have in order to attain these objectives is not the question. We did intercede, and in consequence our choices are now limited and, as our former Ambassador to Japan has put it, "all are unsatisfactory."

Ambassador Reischauer's analysis of our predicament was, in fact, substantiated by my talks with leaders and experienced newsmen in Japan, Taiwan, the Philippines, Indonesia and Thailand, as well as South Viet-Nam, and therefore bears quoting:

"If we escalate the fighting, we run the risk of paying a much higher price, with little increased prospect that this will end the original guerrilla war in South Viet Nam.

"If we withdraw to cut our immediate costs, we are likely to have to pay a much greater price in the long run, since this could encourage more guerrilla 'wars of national liberation' and discourage those who would withstand them.

"The least unsatisfactory course would seem to be our present one of limited warfare to pacify South Viet Nam, and economic and political development to build up a government and a society more resistant to internal subversion. But this will be at best a long, slow and painful process."

The risks of escalation are increasingly apparent, and it would be wise at this time, I believe, to confine the bombing of targets in North Viet Nam to those having a direct bearing on the infiltration of men and supplies into South Viet Nam. In this connection, I was glad to learn on my return of the proposal of Senator John Sherman Cooper along these lines.

If, as I believe, neither escalation nor withdrawal makes sense, we are left with that "long, slow and painful process" of helping the Government of South Viet Nam to bring security and stability to the countryside and to win the confidence and support of its people.

Estimates by knowledgeable persons of the time and resources that will be required to achieve these goals vary widely. In the light of past experience, however, I am persuaded that we are in for a long pull—measured in years—if we are to see the job through.

Over-optimism and misleadingly cheerful reports of progress, of which we have had an over-abundance, serve not only to deceive the American people but to deepen the cynicism of the war-weary people of South Viet Nam and to hamper the development of a viable political system there.

From both military and political points of view, the essential—and still missing—ingredient of success is security for the villages and hamlets in which most of the people live. The security that is lacking is no less psychological than physical in kind; to provide security is, therefore, no less a political than a military challenge. The current Revolutionary Development program has been tailored to meet this dual task,

and it has been given high priority by the United States and Vietnamese Governments.

Beyond this, we can draw some encouragement from the movement toward constitutional government that is now underway. The election of the Constituent Assembly last fall, the drafting of a constitution now completed, and the Presidential and legislative elections to be held this fall can mark the beginnings of political reform and rejuvenation in a society that has never known social justice.

At the same time, we cannot and must not ignore the extent to which corruption permeates public and private life in South Viet Nam and threatens to nullify all other efforts to mobilize popular support for the Government and for the war effort. Indeed, we should be prepared to make clear to the country's present leaders that a determined and effective attack on corruption is an essential precondition to our continued support, as indeed it is to the attainment of our mutual objectives.

We must, at the same time, remain alert to the dangers of pressing too far, too fast for quick results that may be more apparent than real. We are in for a long, slow and painful involvement in Viet Nam, and any effort to mislead the American people on this score can only have disastrous consequences.

In the longer run, of course, the independent nations of Asia must provide for their own collective security. While the emergence of any regional grouping that would constitute an Asian counterweight to China remains well over the horizon, there is substantial evidence that China's neighbors have taken heart from our commitment to help preserve the independence of South Viet Nam.

FORDHAM PROJECT TO COMBAT ANTI-SEMITISM

Mr. JAVITS. Mr. President, the March 1967 issue of Fordham, the magazine of Fordham University, a great institution of learning in New York City, contains an article entitled, "Judaism and Justice," which describes a most significant project of the university's John XXIII Center, undertaken in cooperation with the Anti-Defamation League of B'nai B'rith. The aim of the project is to implement and foster within the Catholic community at the grassroots level the spirit of the Vatican II decree on Catholic-Jewish relations.

In the brief period since their first appearance, the booklets described in the article, published and distributed under the center's auspices, have been enthusiastically received by people of all faiths. I believe that the work of the John XXIII Center is a most constructive endeavor which merits the attention of all Americans. It is because I want to share this article with Senators that I ask unanimous consent that it be printed in the RECORD.

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

JUDAISM AND JUSTICE

Six small, brightly colored pamphlets entitled *"Our Spiritual Heritage, The Outline of Truth, The Anguish of A People, The Face of Sin, To Talk Together and The Declaration on Non-Christian Religions"* constitute the external evidence of one of the more important projects ever launched by any Catholic body in the United States. They are a series produced by the John XXIII Center at Fordham University and have as their purpose the instruction of Catholics everywhere in the United States, at the grass roots level, about the Vatican's attitude towards anti-Semitism. Their purpose further is to destroy this great bias. The pamphlets beautifully illustrated cost only a matter of 25¢ a set (bulk price), yet they contain enough material to foster the spirit of Vatican II with relation to the harmony that should exist between Catholics and Jews.

Each pamphlet has a specific purpose. *"Our Spiritual Heritage"* shows that the heritage of Christianity did not suddenly appear or explode on earth but rather that it came to us from the people of Israel. It proves that Christianity does not depend on temples, buildings, outer organizations; that it is a personal response of a people in whom God acts whenever they gather together in His name. This is a heritage of the Synagogue.

The booklet entitled *"The Declaration on Non-Christian Religions"* contains a number of quotes from Vatican II. It says for example "Here the church recognized the unreasoning, inflammatory poison of the mind and spirit which is anti-Semitism, a poison which can turn differences into dislikes, misunderstanding into mistreatment. The church attacks the evil of anti-Semitism as a thought as well as an act."

"The Outline of Truth" describes what the church feels about the death of Christ and the charge of deicide which for nearly 2,000 years has been a source of so much hate, bloodshed and violence directed against the Jewish people. This pamphlet further makes clear what we all should know: that love, mercy and forgiveness constitute Christ's outline for our lives and for the world.

Much is heard these days of "Dialogue." That is to talk together in openness and respect and friendship, and in the pamphlet *"To Talk Together"* it is made clear that the church urges and offers dialogue to the world. Vatican Council II was itself a form of the church's dialogue with the world and now the church is in dialogue with other churches and with non-Christian religions.

"The Face of Sin" asks the readers to listen to the church as a "Mother and Teacher." These words were used in the John XXIII encyclical. The pamphlet further makes it absolutely clear that anti-Semitism must be considered a grave sin, a matter for confession.

And in the last of the six pamphlets *"The Anguish of A People"* the pamphlet tells of the depth and extent of persecution suffered by the Jewish people down through the ages. It is a page that should be imprinted upon the hearts of every Christian. It is interesting to note that for the first time ever in a council document the term "Anti-Semitism" was used and it was used because the church recognizes that if the teachings were used to quote hate instead of love, pain instead of joy, then she must speak to tell all men everywhere that she stands in love, mercy and justice.

Fortunately, Christianity has recognized the grievous injustice of the painful and shameful things we have done against our Jewish neighbors, and in order to give official sanctions both to the wrongs and to the need for redress, Vatican Council II made its clear and unequivocal statement on the Jews. It said: "In our time when day by day mankind is being drawn closer together . . . the Church examines more carefully her relationship to non-Christian religions. In her task of promoting unity and love among men . . . she considers above all . . . what men have in common, and what draws them to fellowship." And further on, Vatican II goes on to say: "What happened in his Passion cannot be charged against all the Jews, without distinction, then alive, nor against the Jews of today. Although the Church is the new people of God, as if this followed from the Holy Scriptures."

History has shown us that many years can elapse before doctrine enunciated by the Vatican is fully implemented. The pronouncements of the Council of Trent present a good example. This has been due to difficulties of interpretation rather than implementation. On the question of the Pontiff's and Vatican II's intent towards the Jews there is no room for mis-interpretation; it is already clear. Consequently, there is no excuse for delay in implementation.

Spurred by this conviction, the John XXIII Center at Fordham University enlisted the aid and advice of Dr. Joseph Lichten, Director of Intercultural Affairs of the Anti-Defamation League of B'nai B'rith, the American Bishops Committee for Ecumenism and Inter-Religious Affairs and the Secretariat for Catholic-Jewish Relations, launched a project aimed at the immediate implementation of the Vatican II decree on Jewish-Catholic relations in the spirit of interreligious harmony.

Dr. Lichten is the initiator and pioneer of the Christian-Jewish Dialogue in the United States. The first Institute on the Person and the Common Good at Assumption College in Worcester, Massachusetts was established in close cooperation with Bishop John J. Wright, then Bishop at Worcester. Since that time, Dr. Lichten has organized more than 60 Christian-Jewish conferences with a special accent on Catholic-Jewish cooperation. He has an extensive knowledge of Catholic thought and activities all over the world. Throughout his life he has not only studied the Catholic world, but has established a close friendship with a great number of church leaders. His personal and professional contacts in connection with all the segments of the Catholic community are exceptionally warm and close.

The Fordham project is one of the more fascinating plans made in the United States today for the purpose of bringing the decisions of the rarefied atmosphere of St. Peter's to the ordinary parishioner making his spiritual way to salvation far from the madding crowd of neo-intellectualism.

When it was decided to publish a series of pamphlets to be distributed throughout the country, Fr. Edward H. Flannery, formerly an editor of a Catholic paper in Rhode Island, the *Providence Visitor*, was selected as editor. His book, *The Anguish of the Jews*, is already recognized as a valuable source of information on the subject. The need to prepare the material for consumption at the grass roots level was a special problem, since the real need was to make a serious effort to destroy anti-Semitism among the less informed. Unhappily, as any historian knows, the three great biases in the world, the bias against colored people, the bias against Catholicism, and the bias against Jews, are sustained and nurtured on lack of knowledge.

In their study of the ways and means to really reach the man-in-the-parish, the committees sought the aid of John Messmann, who is the Episcopalian president of an organization known as Eric Jon Associates. This group has been very successful in the past as specialists in taking complex subjects and making them palatable for the average man. Their specialized experience included the promulgation of material on vocations, the liturgy, and various other religious projects. In fact, the pamphlet idea originated in a discussion in Father Flannery's office in Rhode Island.

The John XXIII organization at Fordham is well fitted to sponsor the whole project. For some time, it has been working on the reconciliation of the Eastern and Western Catholic Churches. It fully understands the problems of eradicating age-old bias and realizes only too well the need for further harmony and understanding among Christians of all denominations and Jews.

The fact that Fordham University is situated in New York is another important element in the John XXIII project. As Father

Feodor Wilcock, S.J., superior of the Center, says: "New York City is the core of the ecumenical movement in the world." The University has made public its dedication to the interests of the city; this gives point to the location for the new venture; any project that will draw the University closer to the city is important. This does not mean that the present project is limited to the Metropolis. Already numerous archbishops and bishops throughout the country have agreed to distribute the pamphlets throughout their dioceses. It is anticipated that many more will follow suit.

The John XXIII Center is also particularly well equipped for its task because its staff of priests have had considerable international experience, realize more fully than most clerics the close relationship between the Hebraic and Catholic liturgy. They are totally dedicated to their work. In their effort to unite the Eastern and Western Catholic churches they are deeply involved in a study of the liturgical and theological group differences. This is important in an ecumenistic age when the practice of religious tolerance and understanding could lead to an unbiased approach to external religion.

The present staff of the John XXIII Center is comprised of eleven Jesuit Fathers and one diocesan priest, all of whom have had many years of study and educational experience in Europe. Their varied personal backgrounds and special training contribute to a variety of valuable projects that the Center has been continually involved in throughout its fifteen years of existence. To complement the already existing staff, three young American priests are now engaged in European study for doctorates in the fields of Oriental Liturgies, patristics and Byzantine History. One doctor recently returned to begin teaching Oriental theology and Eastern Christian Spirituality. Other doctors in Byzantine and Slavic history, art, literature, spirituality, theology, languages and patristic studies are drawn from the Pontifical Oriental Institute in Rome to assist the staff of the Center when needed.

The Fordham project, in short, is dedicated to the increase of both understanding and love between our two major faiths and among Christians and Jews from all walks of life—for the scholar as well as the man-in-the-parish. Its down-to-earth approach is expressed in the "Outline of Truth": "Vatican Council II has set forth the true outline of Jewish-Christian relations for all to see. The scriptures, the Gospels, Christ's own words tell us the truth about His death, the truth which some men could not, some did not and some would not see clearly. The Church has not given this to you as a history lesson. It is given you for today, so that here and now, in your every daily action, you may sweep aside old wrongs and mistrust, worn half-truths and misconceptions. It is given you so that you may see more clearly your Jewish neighbors—and yourself."

All orders for bulk sales of the booklet should be sent to the John XXIII Center.

DALLAS WAGES THE WAR AGAINST POVERTY

Mr. YARBOROUGH. Mr. President, in Dallas, Tex., success after success is being recorded in the city's antipoverty program.

On March 26 and again on April 9, 1967, the Dallas Morning News published articles surveying the work of two very effective programs in the city's war on poverty, the Upward Bound and Neighborhood Organization programs. These articles were ably written by Dennis Hoover, News staff writer.

Executive Director Allan L. Maley, of the Dallas County Community Action Committee, pointed out a major reason for the success of Neighborhood Organization:

If you believe in the concept of allowing the people to frame programs to satisfy what they consider their needs are, then you have to involve them.

In Dallas, the people are very much involved.

One great step forward noted as a result of organizing communities was "a new willingness by witnesses to crimes to sign complaints for police, even at risk of being beaten, stabbed, or shot by the lawless element." In Dallas, the poverty program has proved to be, as many hoped, a real and effective weapon against crime.

Of Upward Bound, which seeks to keep youths from dropping out of high school, it was noted that—

The crucial change . . . is that the students are beginning to realize they can succeed if they try. Their sagging self-images are being repaired; a lifetime of defeat is becoming unthinkable.

"These kids have had no one to inspire them and fire them with ambition," said Miss Helen Butler, a speech teacher at Washington (High School) who worked with the group in the summer program.

In Dallas, and throughout Texas, the war on poverty has brought new hope, and new ways of realizing those hopes, to the poverty stricken.

I ask unanimous consent that these two articles be printed in the RECORD.

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

[From the Dallas Morning News, Mar. 26, 1967]

UPWARD BOUND OFFERS CHANCE FOR MATURITY, PURPOSE

(By Dennis Hoover)

Some teenagers need an exceptionally lucky break to get a foothold on life's ladder. Before "it" happened to them the outlooks of 65 Dallas high school pupils were, for the most part, not very bright.

Teachers knew the boys and girls had good minds. But the minds weren't fully "turned on." Poverty, with its cultural and educational deprivations, was dulling the youths' hopes and potential for learning beyond high school that would enable them to "be somebody."

Then "it" came—their big chance, called Project Upward Bound.

For eight weeks last summer the 65 pupils who had just finished their sophomore year in high school lived on the campus of Southern Methodist University. There, under creative teachers, counselors and tutors they underwent an intensive program of academic instruction and of cultural and social experiences that altered their lives forever.

Upward Bound is a pre-college program for able but disadvantaged secondary students, a front of the national War on Poverty that seeks to save brains and ability that might otherwise be lost to society.

Changes in the youngsters when they returned to regular high school classes last fall were "truly amazing," recalled Mrs. Ruby N. Herd, guidance counselor at Crozier Tech, which is contributing 26 students to the project.

"They just came back in bouncing," she said. "Many who had been taking the minimum requirements for graduation switched to college preparatory.

"Their academic grades improved, but their personalities even more so. You can pick the Upward Bound students out of a crowd of their classmates. They're the ones with the most poise, maturity and purpose."

Similar appraisals of Upward Bound's success come from other high school counselors and from Dr. Glen C. Hoskins, professor of education at S.M.U. who directs the project.

The 65 pupils attend high schools in low-income areas: Crozier Tech. Washington, Lincoln, Madison and Pinkston. They will remain in Upward Bound until they graduate, a total of two years.

On Saturdays during the regular school term they return to S.M.U. for follow-up programs. Next summer they will spend another eight weeks in residence at S.M.U., and in the fall resume Saturday instruction and mind-awaking experiences to keep them "upward bound."

A 16-year-old Negro girl enrollee echoed the bubbling esprit de corps of the whole Upward Bound group, saying: "It is helping me to become a better person. I feel real big about it, real special."

The battery of educators working with the S.M.U. project includes nine teachers and teacher assistants, supported by graduate and undergraduate tutor-counselors. Four of the teachers are from the Dallas school system, five from the university.

First aim of the project is to help the youngsters do well in high school and not drop out. Then it is hoped they will go on to some sort of post-high school education.

Dr. Hoskins said it seemed like a formidable task at the outset.

Despite having good brains, 90 per cent of the pupils had been making only fair or poor grades in school. The group's average reading level at the start of the summer term was just below seventh grade. Vocabularies tended to be stunted, diction unacceptable.

About 56 per cent of the group is Negro, 29 per cent Latin American, 13 per cent Anglo and 2 per cent Indian. Their families, averaging six members in size, have average annual incomes of $3,000. Some are on relief; many live in public housing projects.

Almost half the Upward Bound students come from broken homes, most of them headed by a mother.

Dr. Hoskins said each of the pupils had problems growing out of his family situation that threatened to cripple and thwart his learning. The youths tended to feel insecure. Some were shy or withdrawn. Some were under parental pressure to quit school and take a job.

Counseling parents on the value of education has been a major aspect of the project. The enrollees come from high schools where fewer than one-third of the graduates seek further education.

"The one thing shared by many if not most of our students was a low level of aspiration," said Dr. Hoskins.

Enrollees were selected on the basis of nominations by high school teachers and counselors and Dr. Hoskins' interviews with each student and family. Those chosen, in addition to being of low-income families, were judged to have talents that should not be wasted—abilities that if stimulated would blossom into ambition and achievement.

Intuitive feelings had to be relied on to a large extent.

"We went through the tortures of the damned when deciding who should go and who should not," related a high school counselor.

About 1,400 other pupils in the sophomore class of the Dallas schools met Upward Bound's income criterion.

Fate is indeed partial.

After one summer session and 14 Saturdays of working with Upward Bound students, here is Dr. Hoskins' prediction for them:

Half will enter traditional college programs.

The other half will enter vocational or technical programs.

That will be quite an accomplishment.

"The great majority of these kids were losers," said the director. "Without the help of Upward Bound not more than eight of them would have seen the inside of a post-high school institution."

How is the miracle of turning underachievers into promising students being accomplished?

The prescription is advanced and complex.

One ingredient is a new environment: suddenly the underprivileged youths found themselves living in air-conditioned dormitories on a beautiful university campus, with a $10-a-week spending allowance.

This alone transmitted vital messages to the youths—that somebody cares about them, that they are important people, worthy of mingling with the regular students of a major university.

"Deprived youngsters," noted Dr. Hoskins, "tend to have deep doubts about their self-worth."

From 8 a.m. until noon, Monday through Friday, the Upward Bound group attended classes in the Student Union. Instruction was geared to meet their special needs in reading and literature, discourse and composition, social studies and science-mathematics.

Classes were small, allowing close student-teacher relationships. The teachers were persuasive, patient and challenging types who dared try new instructional approaches and unusual course materials in efforts to crash through apathy.

The literature course plan, for example, contained this sentence: "It is intended that the resemblance between this course and a typical literature course will approximate zero."

"We were trying to motivate them, to create in them a desire to learn that matches their abilities, and to back this up with solid knowledge," said Dr. Hoskins.

After lunch at the campus cafeteria every day came an hour's free reading in the university libraries, then workshop in which the students explored types of dancing and music, art forms, drama, creative writing and the art of conversation.

Some afternoons there were field trips—to county and city government centers, scientific research laboratories, art galleries, museums and industries. Once the students went to Fort Worth to hear an address by Vice-President Hubert Humphrey.

The field trips related to the social studies and the science-mathematics courses. The varied exposures also broadened vistas, stirred ambitions and gave the students ideas to write about in composition.

Learning and development continued at nightly "bull" sessions in the dormitories, where the counselor-tutors lived with the students.

Also in the mix of academic, cultural and social experiences were workouts in a special reading laboratory, a night at the summer musical "West Side Story," swims in the university pool and close association with members of different races.

The enrollees wrote and published their own weekly newspaper, took part in debates, heard guest speakers representing a wide spectrum of interests, and had self-government in their dorms.

Saturdays were devoted to outings at lakes and other leisure activities. Sundays were free time for church and visiting families.

Youths in the lower socioeconomic group tend to regard the agents of government with suspicion and fear. These feelings were allayed during the course in social studies, which brought the youths face-to-face with city managers, police officials, judges and other government figures.

"It wasn't long until the students began to speak with concern about the multiple problems of cities and their government," Dr. Hoskins recalled.

Out of the busy and exciting eight weeks came many other results. Speech and writing improved. The average reading level rose to eighth grade, fifth month, with one student reading at freshman college level.

"One boy had an I.Q. of about 130 and a desire to continue his education to the Ph. D. level in mathematics," Dr. Hoskins related. "However, his family's annual income was less than $2,000 and he had been advised to substitute vocational courses for one year of high school English and two years of science.

"This would penalize him severely. The staff discussed with him the opportunities for scholarships, work-study and other financial aids. He later revised his class schedule to include as many solid subjects as possible."

Since the summer program 58 of the Upward Bound students, on an average, have reported for Saturday work on the S.M.U. campus.

"It takes guts to give up your Saturdays in order to undertake additional study," Dr. Hoskins noted. "These kids are doing it, and doing it enthusiastically."

To pay their bus fare, buy lunches and partially compensate them for money they might earn at Saturday jobs, the enrollees receive a $3.75 weekly allowance during the school year.

The Saturday program, in general design, continues that of the summer. Mornings are devoted to academic classes, aided by specialists in counseling, speech, reading, music and other areas. Instruction remains anything but the usual textbook, lecture-and-listen approach.

For instance, classes studied the "Goals for Dallas" essays, which discuss some of the communitiy's problems. Instructors believed analysis of the essays would help teach composition, language, logic, reading and listening.

The students were visibly awed one morning when Mayor Erik Jonsson popped in as a guest speaker. His Honor reminded the group of his own very humble beginnings. When he said goodbye to rush to another meeting the students gave him a standing ovation.

Saturday afternoon, the students pursue such activities as art, dance, music, journalism, debate, swimming, tennis and bowling. One memorable evening the enrollees were guests of S.M.U. students at the State Fair of Texas.

Project staff members work closely with principals, counselors and teachers in the high schools in trying to solve the enrollees' problems of learning, emotional health and future plans. There's general agreement the Upward Bound kids have come a long way.

High school counselors report greater motivation; changes in goals, with many students turning to college-preparatory courses; greater participation in classwork, and more personal refinement in speech and general appearance.

Despite electing harder courses, most grades are above those earned the previous year.

"More important," said Mrs. Mabel Chandler, a counselor at Washington, "these kids care about themselves and their future. They feel 'I'm Somebody.' "

Before Upward Bound, said Mrs. Chandler, it appeared only three of the pupils would go to college. Now she believes almost all will seek at least some kind of education beyond high school "and do well in later life."

Mrs. Betty Wehrle, pupil personnel counselor at Crozier Tech, made this report: "There has been a vast improvement in the Upward Bound students' general attitudes. They are very enthusiastic and involved in their schoolwork. In every respect, scholastically, attendance-wise and with regard to discipline, these students have shown marked improvement."

The most powerful element of the prescription at S.M.U. may be as simple as the right word at the right time by a sensitive teacher; an exposure to a new experience, or finding a particular book.

The crucial change, say observers, is that the students are beginning to realize they can succeed if they try. Their sagging self-images are being repaired; a lifetime of defeat is becoming unthinkable.

"These kids have had no one to inspire them and fire them with ambition," said Miss Helen Butler, a speech teacher at Washington who worked with the group in the summer program.

"Many of them really are college material and they hadn't given college a second thought until Upward Bound came along."

The Dallas project will cost almost $200,000 over the two-years—$160,000 of it from the U.S. Office of Economic Opportunity, the remainder supplied by S.M.U. and the Hogg Foundation. That averages about $3,077 per student.

"If only a few of the students complete college, the taxes they pay on their larger incomes will repay the cost of the whole program," said Dr. Hoskins. "Those who take post-high school technical and vocational training will also boost their earning capacities."

Dr. Hoskins said he prefers, however, to think of the program in terms of preserving human values.

S.M.U. has been a delegate agency of the local War on Poverty (Dallas County Community Action Committee) in carrying out the program. Next year the university will operate Upward Bound as a prime contractor directly under the U.S. Office of Economic Opportunity.

Across the nation, 220 other Upward Bound projects for about 20,000 students are in progress at colleges and universities.

Dr. Hoskins and others say it's a tragedy that only a relative few of the "less chance" youngsters who need Upward Bound's redirection can find berths in the program.

But Upward Bound is calculated to have many "ripple effects" beyond switching on the potentials of its enrollees:

—Teachers in the program are inventing media and methods for educating children from deprived backgrounds that will blaze new trails in the public schools. "I will never return to the rote, stereotyped method of teaching again," vowed one Upward bound instructor.

—Many of the tutors in these programs have decided that they want to teach, and probably in disadvantaged areas, Dr. Hoskins said.

—Upward Bound enrollees are envied by many of their classmates. "Being in the program has given me status," commented one girl. Her improving grades and personality may spur her friends to strive harder.

—It isn't unusual for an eager Upward Bound student to encourage his parents to enroll in adult literacy classes.

—Some ex-Upward Bound students may become leaders for community advances that will help rescue untold numbers of children from educational failure.

After the next summer session, the 65 Dallas youths will be offered two-week jobs in the Neighborhood Youth Corps, to enable them to save the $100 or so they needed to buy school clothes and supplies for their senior year.

When the students conclude the program in May, 1968, they will step onto another "bridge" leading to college in the fall. For some, the bridge will be enrollment in S.M.U.'s regular summer term. For others it will be placement in summer jobs, maybe on the S.M.U. campus, to keep them heading toward advanced education.

"We are committed to enable each youth to appraise his potential realistically," said Dr. Hoskins. "We are also committed to assist him in getting the financial aid he needs to get into the post-secondary program of his choice.

"These students have become our concern and our pride, their progress has been rewarding; their futures are our responsibilities."

[From the Dallas Morning News, Apr. 23, 1967]

RECRUITED FROM POVERTY—HOMEMAKING COUNSELORS DOING WELL

(By Ruth Eyre)

For the first time last year, a struggling Dallas mother was able to buy each of her seven children food and a whole apple and orange for Christmas.

The year before, the children had to share four apples and four oranges from the Salvation Army.

The reason the woman could buy food for her family last Christmas was because of a $1.75-an-hour job as a homemaker for the local War on Poverty Homemaker Services.

In the past she worked for $20 a week cooking 8 to 10 hours a day for 85 children in a nursery. Half her salary went to pay the rent.

Today she is one of 107 homemakers from Dallas poverty areas trained to teach people in the city's blighted areas how to work out a budget, make balanced meals and use government surplus foods such as powdered milk.

All the homemakers were making less than $1.75 an hour when they were hired. Some as little as $20 a week.

The Homemaker Service asked only that the Homemakers be literate and meet Office of Economic Opportunity poverty qualifications. There were no educational requirements—in fact 12 of the women had college degrees—and no age limit.

Fifteen of the women hired were able to move their families out of welfare housing projects and more than 20 were able to get off welfare and old age assistance rolls.

Nine homemakers went back to school taking college courses at night. Eight of their children were able to enroll in college because of the added income. Another mother was able to keep her daughter from dropping out of college.

Before the project was started last September its critics said it would never work according to Mrs. Lillian Williams, director of Dallas Homemaker Services.

"They told us we would never find enough women to fill the positions and that even if we did they would not be the kind of people who would stay long."

She received 700 applications.

So far only one has quit and she did so to take a better job with the encouragement of Mrs. Williams.

"We also had one trainee leave after a few days of training. She had been working for a department store doing technical alterations for $1 an hour," Mrs. Williams said. "When they realized what a valuable employe they had lost, they hired her back at $1.75 an hour."

These are the only two cases of homemakers leaving.

The homemakers teach hygiene, child growth and development, nutrition and care of the sick to people living in the areas where they themselves live.

[From the Dallas Morning News, Apr. 9, 1967]

POVERTY VICTIMS GLIMPSE WAY OUT OF MISERY—NEW HOPE STIRS IN UGLY AREAS OF COUNTY

(By Dennis Hoover)

Lumps in the throat and the blur of tears came to a class of Southern Methodist University students when they toured West Dallas recently.

The sight of lean, ragged children and poverty-gutted homes saddens even experienced social workers.

"When the students' chartered bus pulled away from the area there was hardly a dry eye on it," recalled Randolph R. Ratliff, a field commander of the local War on Poverty.

One scene may live long in the students' memories—that of a man scraping a freshly killed hog he had strung up to a tree in his front yard. The hog, Ratliff remembers, was silhouetted against the beautiful skyline of Dallas.

The pathos of poverty may blemish the land of plenty for years. But today new hope is stirring in the ugly areas of Dallas County.

Thanks largely to a front of the local War on Poverty called Neighborhood Organization, which Ratliff directs, hundreds of poverty victims are glimpsing a way out of their misery.

The way is through self-help, by the poor banding together in neighborhood councils to discuss their mutual problems, then pressing en masse for the means of improving themselves and their communities.

That is the system used by neighborhood improvement leagues and other organizations of the middle and upper classes.

The poor of Dallas County, once inarticulate, fearful and politically unknowing, are learning to work the system.

They are bringing change.

Nudged by Ratliff and a corps of neighborhood workers and aides, low-income area residents have organized 53 neighborhood councils over Dallas County in recent months. The groups go by such names as South Central Action Organization, and Latino Progreso Para West Dallas (Latin Progress for West Dallas).

Often racially mixed, the councils meet weekly or twice a month to talk, hear reports of their committees, and form plans of action.

The results in some neighborhoods, said Ratliff, have been fantastic.

By petitioning local government officials and sending delegations to approach them personally, councils here and there have secured regular garbage pickup service, more police protection, street lights and stop signs.

With new-found pride, the councils have sponsored cleanup campaigns to rid many streets, alleys and vacant lots of debris that had been stacking up for years. They have launched typing classes to give their young people a job skill; organized consumer education forums to learn how to stretch their dollars; created sewing circles that produce low-cost school clothing, and established clubs to occupy teen-agers usefully. The teen-agers are forming basketball and baseball teams, organizing to provide baby-sitting service and tutoring for younger children.

"You don't know what such accomplishments do for the people's self-confidence," said Ratliff, full of enthusiasm for his program.

With a determination new to them, the poor in their councils are shooting for bigger gains: city water and sewage service, street paving, improved transit service, multi-purpose community centers, park playground equipment and swimming pools, and day care centers where working mothers may park their children and invalid old folks.

The Councils are meeting with police and juvenile authorities to offer their help in combating such problems as glue-sniffing; contacting poverty-area grocers to protest low-quality produce sold at standard prices; meeting with school principals and visiting teachers to question such practices as sending children home without their parents' knowledge; attending P-TA meetings to make their influence felt, and asking industries to help solve flood drainage problems.

The local War on Poverty is co-ordinated by the Dallas County Community Action Committee (DCCAC). It embraces a variety of programs, ranging from homemaker and legal services to remedial education at Bishop College and buying school supplies for Dallas school children in deprived areas.

But Neighborhood Organization is the heart of the whole anti-poverty effort, says Allan L. Maley Jr., executive director of the DCCAC.

From inception of the War on Poverty here about 18 months ago, Maley and the DCCAC board of directors regarded neighborhood organization as vital to the entire program.

"In most places," Maley said, "the community action groups jumped right off drafting programs without having established contact with the people to be served.

"If you believe in the concept of allowing the people to frame programs to satisfy what they consider their needs are, then you have to involve them."

The neighborhood councils are vehicles of communication between the poor, the DCCAC and the rest of the community.

By attending council meetings hundreds of the poor are learning about the health, welfare and education services already available to them through government and volunteer agencies. They are voicing opinions about what additional anti-poverty services are needed in each neighborhood. And by their own efforts they are helping to see that the additional services come into being.

A major example, said Maley, will be the six multi-purpose neighborhood centers that the DCCAC hopes to establish beginning Aug. 1. These will be focal points of the anti-poverty program, providing a variety of services such as job information, recreation, child care and perhaps medical and dental care.

Whatever the centers offer, Maley said, has been recommended in depth by the poor themselves.

Encouraging the poor to organize for self-help is a process of subtlety and hard work, both by the DCCAC staff and leaders among the poor themselves.

The spark that flamed into today's network of neighborhood councils was struck in October, 1965, when 10 poverty-area residents met with Maley at a church center on South Harwood.

Maley told the group: "We're supposed to develop programs that will help you to help yourself. Now, tell us what your problems are."

Afterwards, several of the people there agreed to invite a few of their neighbors to meet in their living rooms. At these meetings Maley and his assistants explained the other War on Poverty programs and offered to aid the people with efforts to help themselves.

"Then it kind of snowballed into a whole series of small neighborhood meetings," Maley related.

These meetings grew into larger meetings in churches, community centers, housing project auditoriums and schools. The larger meetings led to the formal organization of councils.

Ratliff, a former juvenile probation officer and detached worker for the YMCA, became co-ordinator of neighborhood organization early last year—and learned his job from the bottom up.

"I'd just pick out a poverty street and start knocking on doors and giving my speech," he related. "I'd say, 'We are not a giveaway organization. We don't pay rent, buy food or clothing. But we do give you an opportunity to help yourself.'"

Invited into homes, Ratliff would listen to problems, then tell the people that he was hearing similar stories everywhere he visited.

"You are going to have to get together with your neighbors and come up with solutions," he'd say. "Why don't you have some friends in and let me come back and talk to them."

They bought it.

When the neighbors were assemled, Ratliff

would ask them to air their troubles. They'd say their children have no place to play, that the neighborhood didn't have streetlights, that the garbage pickup was slow, that the police weren't coping with juvenile delinquents in their area.

"To get an organization established, we'd encourage the groups to tackle a problem they could do something about," Ratliff continued. "So maybe they'd petition the city to put up a streetlight. They'd gain strength, then ask the sanitation department to improve the garbage service."

Then came the more ambitious efforts, such as seeing what had to be done to tie into city water and sewage lines.

Already rolling, the Neighborhood Organization program was given separate funding last July by the U.S. Office of Economic Opportunity.

Ratliff's staff now includes five neighborhood organizers, each having five aides recruited from among leaders in the poverty areas. The organizers are paid $625 a month by the DCCAC, the aides $435.

Daily these anti-poverty troops fan over the county to work among the poor in "target areas" of the War on Poverty. More than 60,000 families, nearly 200,000, live in these poverty pockets where the median family income is $3,000 a year or less.

Ratliff and his assistant, Billy Medina, a former West Dallas resident, direct the organizers via citizens band automobile radios. The organizers direct their aides by walkie-talkies.

The workers and aides do basically what Ratliff did: knock on doors, listen, try to bring neighbors together to seek solutions to some of their woes. They talk at neighborhood meetings, inspire and help organize councils, and perform such other services as referring people to health and welfare agencies and explaining how to get a plumbing permit at City Hall.

On a recent afternoon, aide Ann Browning, a former waitress, was working in a Mexican-American area of North-Central Dallas.

"I'm calling at homes to tell people about a neighborhood meeting tonight," she related. "They'll be discussing such problems as street lighting, police protection and garbage pickup."

Not far away another aide was trying to organize a youth group. "Mainly to get them off the streets," explained organizer Dan Hale. "We're trying to reach delinquent kids, dropouts, narcotics addicts. One aide meets with about 60 of them. The aide is an ex-hard core man himself. He can really relate to them."

In West Dallas, aides were about such tasks as inviting more women to join sewing circles, helping to form a new council and getting residents to sign up for a cleanup campaign. Directing these efforts was organizer Domingo Cisneros, a former automobile mechanic in the area.

"We're trying to get total involvement—teaching people how to help themselves," said Cisneros.

Aid Alice Lowery had just come from a home meeting in a public housing project. What problems did the people raise?

"School clothing and food," Mrs. Lowery replied.

One man, she said, had the idea of "salvaging" food that is left over from big dinners at downtown hotels, when many expected guests fail to show up and distributing the left-overs among families.

In an oak cliff neighborhood, aides under organizer Kenneth McGaughey spent the afternoon helping volunteers of a council gather signatures on petitions calling for a child care center.

"The people here are also interested in the truancy problem and in trying to beautify the community," related aide Betty Guy, who has a bachelor's degree in economics from Southern University. "They have set up committees to see what can be done."

In March 200 home meetings, larger gatherings and council meetings were held in the city's poverty clusters. Such brisk activity will multiply the number of councils to 75 or 80 in the next six months, Ratliff predicts.

One night recently, a meeting of the Frazier Courts Miracle Workers council drew over 200 people in the auditorium of a South Dallas public housing project. It was mostly a Negro gathering.

Council President Mrs. Ophia Morring called for committee reports. One report concerned the number of signatures that had been gathered on a petition for a day-care center. Another noted that 500 children, ages 1–6, live at Frazier Courts and are potential users of the day care center.

Mrs. Mildred Wright, council secretary, reported that the council was asking for four services to be included in a hoped-for multi-purpose neighborhood center: an emergency clinic for minor illnesses; a Parkland Hospital drug sub-station; a federal foods substation, and a day care center.

Later in the meeting, juvenile delinquency became a topic of general discussion.

"The Bible says to train a child in the way he shall go and he will never depart therefrom," offered one woman in the audience. "Parents should sit down and counsel with their children."

President Morring agreed, saying: "We (parents) are the delinquents, not our children. We work all the time and don't pay enough attention to our children."

Other business included a report by neighborhood organizer Bill Lewis on a free legal aid station recently set up in South Dallas as part of the War on Poverty.

"Offices are open 9 to 5 weekdays, and until 9 p.m. Wednesdays," Lewis informed the group. "The attorney there is willing and able to handle your legal problems if you aren't able to hire an attorney."

As often happens, this council meeting was attended by representatives of some other councils. Cross-visitation helps exchange ideas and information.

An Oak Cliff woman reported that her council is forming a teen-age group to give them "something to do" on weekends. A man from the East Side Community Workers Movement told the assemblage. "We are presently attacking the sanitary and street light problems in our neighborhood."

"We have a lot of children out of school," reported another visitor. "They haven't ever been to school. We might be able to work out something to get a law to make them go to school."

And so it went.

Out of such deliberations by poverty-area residents now intent on bringing change have come:

—A citizens protective association to help with the policing of school crossings.

—A new willingness by witnesses to crimes to sign complaints for police, even at risk of being beaten, stabbed or shot by the lawless element.

—A Christmas gift-wrapping service at an Oak Cliff store which netted several unemployed women $1,000.

—An arrangement by which eight funeral homes use their vehicles each month to pick up free commodities at the County Welfare Department for 70 families that lack other means of getting to and from the federal foods center.

—The easing of public housing regulations which tenants thought unreasonable.

—Neighbors pitching in to help neighbors put new roofs on houses.

—The registering of 4,500 citizens to vote.

In a semi-rural area of Seagoville, residents are through with griping about their lack of piped water. Their neighborhood council is in process of forming its own water district, with each homeowner subscribing $50. The council president is happily proclaiming: "The taps will soon be turned on!"

"It has been a beautiful thing," said Ratliff. "They haven't asked for charity, but have gone about this in a businesslike way. They would have been forever without water had they not organized."

Another means of involving the poor in their own salvation has been the election of DCCAC directors from target areas of the War on Poverty. But now 49 of the DCCAC's 150 directors are representatives of the poor themselves.

Campaigning for poverty-area directorships is spirited. More than 300 people turned out for an election in a West Dallas housing project—an area in which only a handful of people bother to vote in political elections.

Directors from poverty areas, in addition to working with some of the community's top business, civic and professional leaders in hammering out DCCAC policies, do a heavy share of volunteer work in their neighborhoods.

One day recently, Director Mrs. Willie Mae Hampton was busy gathering signatures on a petition for a multi-purpose center in West Dallas. She was also signing up people to take part in a cleanup drive "so the kids will have a better place to play."

Why was Mrs. Hampton working so hard? "Because," she replied, "I live out here. I want to be somebody myself, and to be somebody I've got to get others to help themselves."

Last August Mrs. Ruth Henry, a store inventory clerk, was elected to the DCCAC board to represent the Wahoo Park section of South Dallas. She has done much to organize and guide her neighborhood council, which has scored several gains.

"For example," Mrs. Henry related "the Frazier School had only one police patrolman to help the kids cross the street. This wasn't enough and the parents knew it, but no one had ever talked to the Police Department about it before.

"Our neighborhood council voted to send a delegation to talk to the police about the problem.

"At first, the police wouldn't agree to an extra policeman at the school. We returned a few days later with a petition signed by many of the families in the neighborhood and a list of schools in other parts of town which had two patrolmen assigned to them.

"We got our additional policeman."

Mrs. Henry said she feels this kind of neighborhood cooperation is the most important way for people to lift themselves out of poverty.

"What the War on Poverty can do through Neighborhood Organization is open doors that the poor either didn't know exist or were afraid to try," she said.

"There have always been ways for the poor to help themselves, but they didn't know about them. What we can do is show the poor how to do things for themselves."

Unquestionably, the organized poor are irritating some officials as, with growing knowledge about how to work the system, they present requests for additional services.

"But we think," said Maley, "this method of allowing them to express themselves is much more desirable than the demonstrations that have taken place elsewhere."

An agitator could come to Dallas, rub resentments raw, and organize the poor quickly, said the DCCAC executive.

"Our method is harder," he continued. "It takes longer. But it is a more desirable way to correct problems. In the process you bring the whole community with you in realizing what the needs of the poor are. The long range results for the poor will, in my opinion, be much greater and more lasting."

Federal funding of all War on Poverty programs financed directly via the DCCAC this fiscal year totals $1,900,000. About $223,000 of this is allocated to Neighborhood Organization.

For Neighborhood Organization activities next year the DCCAC has requested $448,000. Plans call for expanding into poverty clusters as yet untouched by the

program, and for digging down to the worst-off of the poor—the hard-core individuals who utterly lack the motivation to help themselves.

How long the Neighborhood Organization will continue to be funded nobody knows. But it has already poisoned the roots of poverty at many geographic points.

"If we were to fold tomorrow," said Medina, "these people would be left with something. They have the feeling that they have been listened to. They have self-confidence and self-respect. They have found a way to express themselves. They know how to get things done. They are individuals, not just part of a helpless mass."

IMPROVEMENTS TO THE TRUTH-IN-LENDING BILL

Mr. PROXMIRE. Mr. President, on June 8 and June 9 a subcommittee of the Committee on Banking and Currency will meet to consider the truth-in-lending bill. We have gone over the bill with a fine tooth comb, after taking into account many of the constructive suggestions by members of the credit industry. We have made a total of 50 changes in the bill, all of which, I believe, increase the bill's workability, flexibility, fairness, while still retaining the consumer protections for which we have fought so long.

I believe the improved version of the bill should go a long way toward removing all of the objections which have been raised in the past. For example, the bill now spells out a specific tolerance, thus giving specific meaning to the concept of an approximate annual rate. If lenders used a rate chart and charged 12 percent for credit, the chart could have a tolerance of up to 1 percentage point. If the lender charged 24 percent, the chart would have a tolerance of 2 percentage points, and so on. In other words, the tolerance would increase the larger the rate of finance charge.

I believe this change is in accord with commonsense. Most consumers do not make decisions on credit on the basis of a 1 or 2 decimal point difference in the finance charge. By providing the tolerance, we vastly simplified compliance with the bill and have permitted the use of simple rate charts.

We have also increased the effective rate to 1 year in accordance with the Federal Reserve Board's recommendations. This should give them the time to make a complete study of the problem and issue appropriate regulations.

We have also clarified the definition of "finance charge" and have indicated items such as official fees or taxes will not be included. This again will vastly simplify the compliance with the bill and make it much easier to publish rate charts.

Also, we have provided specific authority to grant even more tolerance on irregular payment situations, and we have provided authority to disregard slight irregularities in the contract. These slight irregularities, such as deferring the first payment, could slightly change the rate if we were to insist upon absolute accuracy. By ignoring these irregularities we once again simplified the job of the creditor while still giving the consumer the basic facts. I have said all along that I believed we could draft a bill that is fair to the consumer and workable to the credit industry. I believe the committee print on S. 5 achieves both of these objectives.

Mr. President, I ask unanimous consent to have printed in the RECORD the committee print of S. 5 together with a summary of the changes made.

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

[NOTE.—Roman printing is original matter, new matter printed in italic.]

[Committee Print]

S. 5

A bill to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with extension of credit

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 "Truth in Lending Act".

DECLARATION OF PURPOSE

SEC. 2. The Congress finds and declares that economic stabilization would be enhanced and that competition among the various financial institutions and other firms engaged in lending or the extension of credit would be strengthened by the informed use of credit for the acquisition of property and services. The informed use of credit results from an awareness of the cost thereof to the user. It is the purpose of this Act to assure a full disclosure of such cost with a view to promoting the informed use of credit to the benefit of the national economy.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "Board" means the Board of Governors of the Federal Reserve System.

(2) "Credit" means any loan, mortgage, deed of trust, advance, or discount; any conditional sales contract; any contract to sell or sale, or contract of sale of property or services, either for present or future delivery, under which part or all of the price is payable subsequent to the making of such sale or contract; any rental purchase contract; any contract or arrangement for the hire, bailment, or leasing of property; any option, demand, lien, pledge, or other claim against, or for the delivery of, property or money; any purchase, or other acquisition of, or any credit upon the security of, any obligation or claim arising out of any of the foregoing; and any transaction or series of transactions having a similar purpose or effect.

(3) "Finance charge" means the sum of all the charges incurred by the borrower for the extension or use of credit and shall include, but not by way of limitation, loan fees, service and carrying charges, discounts, interest, time price differentials, and investigators' fees.

(4) "Total amount to be financed" means the total credit extended, excluding the finance charge.

(5) "Annual percentage rate" means the percentage rate per period expressed as a per centum per annum. It shall be computed by multiplying the percentage rate per period by the number of periods per year.

(6) "Percentage rate per period" means the percentage ratio of the finance charge for the period for which the charge is made to the unpaid balance of the total amount to be financed.

(7) "Period" means the time interval between the payments specified in the credit agreement for repayment of the total amount to be financed.

(8) "Creditor" means any person engaged in the business of extending credit (including any person who as a regular business practice makes loans or sells or rents property or services on a time, credit, or installment basis, either as principal or as agent) who requires, as an incident to the extension of credit, the payment of a finance charge.

(9) "Person" means any individual, corporation, partnership, association, or other organized group of persons, or the legal successor or representative of the foregoing, and includes the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of the foregoing.

DISCLOSURE OF FINANCE CHARGES

SEC. 4. (a) Except as provided in subsection (b), any creditor shall furnish to each person to whom credit is extended, prior to the consummation of the transaction, a clear statement in writing setting forth, to the extent applicable and ascertainable and in accordance with rules and regulations prescribed by the Board, the following information—

(1) the cash price or delivered price of the property or service to be acquired;

(2) the amounts, if any, to be credited as downpayment and, or trade-in;

(3) the difference between the amounts set forth under clauses (1) and (2);

(4) the charges, individually itemized, which are paid or to be paid by such person in connection with the transaction but which are not incident to the extension of credit;

(5) the total amount to be financed (the sum of the amounts set forth under (3) and (4), above);

(6) the finance charge in dollars and cents;

(7) the finance charge expressed as an annual percentage rate to be computed as set forth in section 3(5);

(8) the time and amount of payments scheduled to repay the indebtedness; and

(9) the terms applicable in the event of advanced or delayed payments from those specified in (8) above.

(b) Any creditor agreeing to extend credit to any person pursuant to a revolving or open-end credit plan shall, in accordance with rules and regulations prescribed by the Board—

(1) furnish to such person, prior to agreeing to extend credit under such plan, a clear statement in writing setting forth the following information:

(i) the periodic dates of the balances against which a finance charge will be imposed;

(ii) the percentage rate per period of the finance charge to be imposed; and

(iii) the periodic rate of finance charge expressed as an annual percentage rate.

(2) furnish to such person, as of the end of each period following the entering into of any such agreement, a clear statement in writing setting forth to the extent applicable and ascertainable—

(A) the outstanding balance in the account of such person as of the beginning of such period;

(B) the amount of each extension of credit to such person (including the cash price or delivered price of any property or service acquired by such person) during such period and, unless previously furnished, the date thereof and a brief identification of any property or services so acquired;

(C) the total amount received from, or credited to the account of, such person during such period;

(D) the outstanding unpaid balance in the account of such person as of the end of such period;

(E) the annual percentage rate used to compute the finance charge for such period;

(F) the balance on which the periodic finance charge was computed; and

(G) the finance charge (in dollars and cents) imposed for such period.

As used in this subsection, the term "revolving or open-end credit plan" means a credit plan describing the terms of credit

transactions which may be made thereunder from time to time and under the terms of which a finance charge may be computed on the outstanding unpaid balance from time to time thereunder.

(c) If information disclosed in accordance with this section and any regulations prescribed by the Board is subsequently rendered inaccurate as the result of a prepayment, late payment, or other adjustment in the credit agreement through mutual consent of the parties, the inaccurracy resulting therefrom shall not constitute a violation of this section.

REGULATIONS

SEC. 5. (a) The Board shall prescribe such rules and regulations as may be necessary or proper in carrying out the provisions of this Act. Such rules and regulations shall (1) include a description of (A) the methods which may be used in determining the annual percentage rate for the purpose of section 4, and (B) the size of type or lettering which shall be used in setting forth information required by such section, (2) prescribe reasonable tolerances of accuracy with respect to disclosing information under such section, and (3) require that such information be set forth in bold type and with sufficient prominence to insure that it will not be overlooked by the person to whom credit is extended. Any rule or regulation prescribed hereunder may contain such classifications and differentiations, and may provide for such adjustments and exceptions as in the judgment of the Board are necessary or proper to effectuate the purposes of this Act or to prevent circumvention or evasion, or to facilitate the enforcement of this Act, or any rule or regulation issued thereunder. In prescribing any exceptions hereunder with respect to any particular type of credit transaction, the Board shall consider whether in such transactions compliance with the disclosure requirements of this Act is being achieved under any other Act of Congress.

(b) In the exercise of its powers under this section, the Board shall request the views of other Federal agencies exercising regulatory functions with respect to creditors, or any class of creditors, which are subject to the provisions of this Act, and such agencies shall furnish such views upon request of the Board.

(c) The Board shall establish an advisory committee, consisting of not more than nine members, to advise and consult with it in the exercise of its powers under this section. In appointing members to such committee the Board shall seek to achieve a fair representation of the interest of sellers of merchandise on credit, lenders, and the public. Such committee shall meet from time to time at the call of the Board, and members thereof shall be paid transportation expenses and not to exceed $25 per diem in lieu of subsistence, as authorized by section 5 of the Act of August 2, 1946 (5 U.S.C. 73b 2).

EFFECT ON STATE LAWS

SEC. 6. (a) This Act shall not be construed to annul, or to exempt any creditor from complying with, the laws of any State relating to the disclosure of information in connection with credit transactions, except to the extent that such laws are directly inconsistent with the provisions of this Act or regulations issued thereunder.

(b) The Board shall by regulation exempt from the requirements of this Act any credit transactions or class of transactions which it determines are effectively regulated under the laws of any State so as to require the disclosure by the creditor of the same information as is required under section 4 of this Act.

CIVIL AND CRIMINAL PENALTIES

Civil Penalties

SEC. 7. (a) Any creditor who in connection with any credit transactions fails to disclose to any person any information in violation of this Act or any regulation issued thereunder shall be liable to such person in the amount of $100, or in any amount equal to twice the finance charge required by such creditor in connection with such transaction, which ever is the greater, except that such liability shall not exceed $2,000 on any credit transaction. Action to recover such penalty may be brought by such person within one year from the date of the occurrence of the violation, in any court of competent jurisdiction. In any such action, no person shall be entitled to recover such penalty solely as the result of the erroneous computation of any percentage required by section 4(a)(7), 4(b)(1), or 4(b)(2)(E) of this Act to be disclosed to such person, if the percentage disclosed to such person pursuant to this Act was in fact greater than the percentage required by such section, or by the regulations prescribed by the Board, to be disclosed. In any action under this subsection in which any person is entitled to a recovery, the creditor shall be liable for reasonable attorneys' fees and court costs as determined by the court. As used in this subsection, the term "court of competent jurisdiction" means either any Federal court of competent jurisdiction regardless of the amount in controversy or any State court of competent jurisdiction.

Criminal Penalties

(b) Any person who gives false or inaccurate information or fails to provide information required to be disclosed under the provisions of this Act or any regulation issued thereunder or who otherwise willfully violates any provision of this Act or any regulation issued thereunder shall be fined not more than $5,000 or imprisoned not more than one year, or both.

(c) Except as specified in subsection (a) of this section, nothing contained in this Act or any regulation thereunder shall affect the validity or enforcibility of any contract or transaction.

(d) No punishment or penalty provided by this Act shall apply to the United States, or any agency thereof, or to any State, any political subdivision thereof, or any agency of any State or political subdivision.

EXCEPTIONS

SEC. 8. The provisions of this Act shall not apply to—

(1) credit transactions involving extensions of credit to business firms as such, governments, or governmental agencies or instrumentalities; and

(2) transactions in securities or commodities in accounts by a broker-dealer registered with the Securities and Exchange Commission.

EFFECTIVE DATE

SEC. 9. The provisions of this Act shall effect upon the expiration of one hundred and eighty days after the date of its enactment; except that section 5 shall take effect immediately.

That this Act may be cited as the "Truth in Lending Act".

Declaration of purpose

Sec. 2. The Congress finds and declares that economic stabilization would be enhanced and that competition among the various financial institutions and other firms engaged in the extension of consumer credit would be strengthened by the informed use of credit. The informed use of credit results from an awareness of the costs thereof by consumers. It is the purpose of this Act to assure a full disclosure of such costs with a view to promoting the informed use of consumer credit to the benefit of the national economy.

Definitions

Sec. 3. For the purpose of this Act—

(a) "Board" means the Board of Governors of the Federal Reserve System.

(b) "Credit" means the right granted by a creditor to defer payment of debt or to incur debt and defer its payment, where the debt is contracted by the obligor primarily for personal, family, or household purposes.

(c) "Consumer Credit Sale" means a transaction in which credit is granted by a seller in connection with the sale of goods or services, if such seller regularly engages in credit transactions as a seller, and such goods or services are purchased primarily for a personal, family, or household purpose. The term does not include any contract in the form of a bailment or lease unless the obligor contracts to pay as compensation for use a sum substantially equivalent to or in excess of the value of the goods and unless it is agreed that the obligor is bound to become, or for no other or a merely nominal consideration, has the option of becoming the owner of the goods upon full compliance with the provisions of the contract.

(d) (1) "Finance charge" means, except as otherwise provided in subparagraph (2) or (3), the sum of all the charges incurred by the obligor incident to the extension of credit such as loan fees, service and carrying charges, discounts, interest, time price differentials, and investigators' fees.

(2) With respect to credit secured in whole or in part by an interest in real property, the term includes, but shall not be limited to, the following items incident to the extension of credit: interest; lender's fees; the cost of any guaranty or insurance protecting the creditor against the obligor's default or other credit loss; credit reports; and any amount paid by an obligor under a point, discount, or other system of additional charges. Charges not embraced within the term, in the case of such transactions, include (without being limited to) any amounts charged for, or in connection with, the following: title examination or corresponding procedures; title insurance; preparation of the deed and other documents; preparation of the settlement statement and related services; recording deed and other documents; taxes and assessments; fire and casualty insurance; escrows for future payments of taxes and insurance; appraisal fees; notarizing deed and other documents; revenue stamps; and maintenance and repairs.

(3) The term does not include amounts individually itemized and disclosed under section 4, which are collected by a creditor or are included in the credit for: (A) fees and charges prescribed by law which actually are or will be paid to public officials for perfecting or releasing or satisfying any security related to a credit transaction; (B) taxes; (C) casualty or physical damage insurance; (D) if a clear and specific statement is furnished the debtor that such insurance is optional and is not required as a condition for obtaining the credit, for credit life or health and accident insurance. In all other cases, charges for such insurance shall be included in the finance charge.

(e) "Creditor" means any individual, partnership, corporation, association, cooperative, or any other entity, including the United States or any agency or instrumentality thereof, or any other government or political subdivision or agency or instrumentality thereof, if such individual or entity regularly engages in credit transactions, whether in connection with the sale of goods and services or otherwise, and extends credit for which the payment of a finance charge is required.

(f) "Annual percentage rate" means, for the purposes of sections 4(b) and 4(c), the nominal annual rate determined by the actuarial method (United States rule). For purposes of this calculation the following shall be assumed:

(1) the total time for repayment of the total amount to be financed shall be the time from the date of the transaction to the date of the final scheduled payment. A period of

time equal to one-half or more of a payment period may be considered one full period.

(2) all payments are considered equal provided every scheduled payment in the series of payments is equal except one which may not be more than double any other scheduled payment in the series; and

(3) all payments are considered to be scheduled at equal intervals provided all payments are scheduled at equal intervals except the first payment, which may be scheduled to be paid before, on, or after one period from the date of the transaction; except that the Board may prescribe methods other than the actuarial method where other irregular payments are involved and the Board determines that the use of such other methods will materially simplify computation while retaining reasonable accuracy as compared with the rate determined under the actuarial method. For the purposes of section 4(d), the "equivalent annual percentage rate" means the rate or rates computed by multiplying the rate or rates used to compute the finance charge for any period by the number of periods in a year. Where a creditor imposes the same finance charge for all balances within a specified range, the annual percentage rate or equivalent annual percentage rate shall be computed on the medium balance within the range for the purposes of section 4(b), 4(c), and 4(d).

(7) "Open-end credit plan" means a plan prescribing the terms of credit transactions which may be made thereunder from time to time and under the terms of which a finance charge may be computed on the outstanding unpaid balance from time to time thereunder.

Disclosure of finance charges

Sec. 4. (a) Each creditor shall furnish to each person to whom credit is extended and upon whom a financed charge is or may be imposed, the information required by this section in accordance with regulations prescribed by the Board.

(b) This subsection applies to consumer credit sales other than sales under an open-end credit plan. For each such sale, the creditor shall disclose, to the extent applicable:

(1) the cash price of the property or service purchased;

(2) the sum of any amounts credited as downpayment (including any trade-in);

(3) the difference between the amounts set forth in paragraphs (1) and (2);

(4) all other charges, individually itemized, which are included in the amount of the credit extended but which are not part of the finance charge;

(5) the total amount to be financed (the sum of the amounts disclosed under (3) and (4) above);

(6) the amount of the finance charge (such charge, or a portion of such charge, may be designated as a time-price differential or as a similar term to the extent applicable);

(7) the finance charge expressed as an annual percentage rate;

(8) the number, amount, and due dates or periods of payments scheduled to repay the indebtedness; and

(9) the default, delinquency, or similar charges payable in the event of late payments.

Except as otherwise provided, the disclosure required by this subsection shall be made before the credit is extended. Compliance may be attained by disclosing such information in the contract or other evidence of indebtedness to be signed by the obligor. Where a seller receives a purchase order by mail or telephone without personal solicitation by a representative of the seller and the cash price and deferred payment price and the terms of financing, including the annual percentage rate, are set forth in the seller's catalog or other printed material distributed to the public, the disclosure shall be made on or before the date the first payment is due.

(c) This subsection applies to extensions of credit other than consumer credit sales or transactions under an open-end credit plan. Any creditor making a loan or otherwise extending credit under this subsection shall disclose, to the extent applicable—

(1) the amount of credit of which the obligor will have the actual use, or which is or will be paid to him or for his account or to another person on his behalf;

(2) all other charges, individually itemized, which are included in the amount of the credit extended but which are not part of the finance charge;

(3) the total amount to be financed (the sum of items (1) and (2) above);

(4) the amount of the finance charge;

(5) the finance charge expressed as an annual percentage rate;

(6) the number, amount, and due dates or periods of payments scheduled to repay the indebtedness; and

(7) the default, delinquency, or similar charges payable in the event of late payments.

Except as otherwise provided, the disclosure required by this subsection shall be made before the credit is extended. Compliance may be attained by disclosing such information in the note or other evidence of indebtedness to be signed by the obligor. Where a creditor receives a request for an extension of credit by mail or telephone without personal solicitation by a representative of the creditor and the terms of financing, including the annual percentage rate for representative amounts of credit, are set forth in the creditor's printed material distributed to the public, the disclosure shall be made on or before the date the first payment is due.

(d)(1) This subsection applies to open-end credit plans.

(2) Before opening any account under an open-end credit plan, the creditor shall disclose to the person who seeks to open the account—

(A) the conditions under which a finance charge may be imposed, including the time period, if any, within which any credit extended may be repaid without incurring a finance charge;

(B) the method of determining the balance upon which a finance charge will be imposed;

(C) the method of determining the amount of the finance charge including any minimum or fixed amount imposed as a finance charge and, where a rate is used to compute the finance charge or portion thereof, the equivalent annual percentage rate; and

(D) the conditions under which any other charges may be imposed, and the method by which they will be determined.

(3) For each billing cycle at the end of which there is an outstanding balance under any such account, the creditor shall disclose—

(A) the outstanding balance in the account at the beginning of the billing period;

(B) the amount and date of each extension of credit during the period and, if a purchase was involved, a brief identification (unless previously furnished) of the goods or services purchased;

(C) the total amount credited to the account during the period;

(D) the amount of any finance charge added to the account during the period, itemized to show the amount, if any, due to the application of a percentage rate and the amount, if any, imposed as a minimum or fixed charge;

(E) the balance on which the finance charge was computed and a statement of how the balance was determined;

(F) the rate, if any, used in computing the finance charge and the equivalent annual percentage rate;

(G) the outstanding balance in the account at the end of the period; and

(H) the date by which or the period, if any, within which payment must be made to avoid additional finance charges.

(e) Written acknowledgment of receipt by a person to whom a statement is required to be given pursuant to this section shall be conclusive proof of the delivery thereof and, unless the violation is apparent on the face of the statement, of compliance with this section in any action or proceeding by or against an assignee of the original creditor without knowledge to the contrary by such assignee when he acquires the obligation. Such acknowledgment shall not affect the rights of the obligor in any action against the original creditor.

(f) If there is more than one obligor, a creditor may furnish a statement of required information to only one of them. Required information need not be given in the sequence or order set forth in this section. Additional information or explanations may be included. So long as it conveys substantially the same meaning, a creditor may use language or terminology in any required statement different from that prescribed by this Act.

(g) If applicable State requires disclosure of items of information substantially similar to those required by this Act, then a creditor who complies with such State law may comply with this Act by disclosing only the additional items of information required by this Act.

(h) If information disclosed in accordance with this section and any regulations prescribed by the Board is subsequently rendered inaccurate as the result of a prepayment, late payment, adjustment, or amendment of the credit agreement through mutual consent of the parties or as permitted by law, or as the result of any act or occurrence subsequent to the delivery of the required disclosures, the inaccuracy resulting therefrom shall not constitute a violation of this section.

Regulations

Sec. 5. (a) The Board shall prescribe regulations to carry out this Act, including provisions—

(1) describing the methods which may be used in determining annual percentage rates under section 4, including, but not limited to, the use of any rules, charts, tables, or devices by creditors to convert to an annual percentage rate any add-on, discount or other method of computing a finance charge;

(2) prescribing procedures to ensure that the information required to be disclosed under section 4 is set forth clearly and conspicuously;

(3) prescribing reasonable tolerances of accuracy with respect to disclosing information under section 4.

(b) In prescribing regulations with respect to reasonable tolerances of accuracy as required by subsection (a)(3), the Board shall observe the following limitations:

(1) The annual percentage rate may be rounded to the nearest quarter of 1 per centum for credit transactions payable in substantially equal installments when a creditor determines the total finance charge on the basis of a single add-on, discount, periodic, or other rate, and such rates are converted into an annual percentage rate under procedures prescribed by the Board.

(2) The use of rate tables or charts may be authorized in cases where the total finance charge is determined in a manner other than that specified in subparagraph (1). Such tables or charts may provide for the disclosure of annual percentage rates which vary up to 8 per centum of the rate as defined by section 3(f). However, any creditor who willfully and knowingly uses such tables or charts in such a manner so as to consistently

understate the annual percentage rate as defined by section 3(f) shall be liable for criminal penalties under section 7(b) of this Act.

(3) In the case of creditors determining the annual percentage rate in a manner other than as described in subparagraph (1) or (2), the Board may authorize other reasonable tolerances.

(4) In order to simplify compliance where irregular payments are involved, the Board may authorize tolerances greater than those specified in subparagraph (2).

(c) Any regulation prescribed hereunder may contain such classifications and differentiations and may provide for such adjustments and exceptions from this Act or the regulations thereunder for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this Act or to prevent circumvention or evasion of, or to facilitate compliance by creditors with, this Act or any regulation issued hereunder. In prescribing exceptions, the Board may consider, among other things, whether substantial compliance with the disclosure requirements of this Act is being achieved under any other Act of Congress or any State law or regulations under either.

(d) In the exercise of its powers under this Act, the Board shall request the views of other Federal agencies which in its judgment exercise regulatory functions with respect to any class of creditors, and such agencies shall furnish such views upon request of the Board.

(e) The Board shall establish an advisory committee, to advise and consult with it in the exercise of its powers under this Act. In appointing such members to such committee the Board shall seek to achieve a fair representation of the interest of sellers of merchandise on credit, lenders, and the public. Such committee shall meet from time to time at the call of the Board, and members thereof shall be paid transportation expenses and not to exceed $100 per diem.

Effect on State laws

Sec. 6. (a) This Act shall not be construed to annul, alter, or affect or to exempt any creditor from complying with, the laws of any State relating to the disclosure of information in connection with credit transactions, except to the extent that such laws are inconsistent with the provisions of this Act or regulations issued thereunder and then only to the extent of the inconsistency. This Act shall not otherwise be construed to annul, alter or affect in any manner the meaning, scope or applicability of the laws of any State, including, but not limited to, laws relating to the types, amounts or rates of charges, or any element or elements of charges, permissible under such laws in connection with the extension or use of credit, nor to extend the applicability of such laws to any class of persons or transactions to which such laws would not otherwise apply, nor shall the disclosure of the annual percentage rate in connection with any consumer credit sale as required by this Act be evidence in any action or proceeding that such sale was a loan or any transaction other than a credit sale.

(b) The Board shall by regulation exempt from the requirements of this Act any class of credit transactions which it determines are subject to any State law or resolutions which require disclosures substantially similar to those required by section 4.

(c) Except as specified in section 7, nothing contained in this Act or any regulations issued thereunder shall affect the validity or enforcibility of any contract or obligation under State or Federal law.

Civil and criminal penalties

Sec. 7. (a) Any creditor who, in connection with any credit transaction, fails in violation of this Act or any regulation issued thereunder to disclose any information to any person to whom such information is required to be given shall be liable to such person in the amount of $100, or in any amount equal to twice the finance charge required by such creditor in connection with such transaction, whichever is the greater, except that such liability shall not exceed $2,000 on any credit transaction. Action to recover such penalty may be brought by such person within one year from the date of the occurrence of the violation, in any court of competent jurisdiction. In any such action, no person shall be entitled to recover such penalty solely as the result of the erroneous computation of any percentage required by section 4 to be disclosed to such person, if the percentage disclosed to such person pursuant to this Act was in fact greater than the percentage required to be disclosed by such section, or by regulations prescribed by the Board. In any action under this subsection in which any person is entitled to a recovery, the creditor shall be liable for reasonable attorneys' fees and court costs as determined by the court. As used in this subsection, the term "court of competent jurisdiction" means either any Federal court of competent jurisdiction regardless of the amount in controversy or any State court of competent jurisdiction.

(b) Any person who knowingly and willfully gives false or inaccurate information or fails to provide information required to be disclosed under the provisions of this Act or any regulation issued thereunder, or who otherwise knowingly and willfully violates any provision of this Act or any regulation issued thereunder, shall be fined not more than $5,000 or imprisoned not more than one year, or both. The responsibility for enforcing this subsection is hereby assigned to the Attorney General.

(c) No punishment or penalty provided by this Act shall apply to the United States, or any agency thereof, or to any State, any political subdivision thereof, or any agency of any State or political subdivision.

Exceptions

Sec. 8. The provisions of this Act shall not apply to—

(1) credit transactions involving extensions of credit for business, agricultural, or commercial purposes, or to governments, or to governmental agencies or instrumentalities; or

(2) transactions in securities or commodities in accounts by a broker-dealer registered with the Securities and Exchange Commission; or

(3) credit transactions, other than real property transactions, in which the total amount to be financed exceeds $25,000.

Effective date

Sec. 9. The provisions of this Act shall take effect upon the expiration of one year after the date of its enactment; except that section 5 shall take effect immediately upon enactment.

[Committee Print, Committee on Banking and Currency, June 2, 1967]

S. 5—EXPLANATION OF CHANGES IN COMMITTEE PRINT

1. Section 2. Declaration of purpose: "Consumer credit" is substituted for "credit" and "consumer" is substituted for "user" of credit to make the intent clear that the bill applies to consumer credit and not to all forms of credit.

2. Definition of "Board" 3(a): No change.

3. Definition of "credit" 3(b): The original definition was deleted because it was somewhat sweeping and referred to various types of lease situations which might not be true extensions of credit. This language was based on the Federal Reserve's old regulation W which dealt with selective controls over consumer credit and whose purpose was quite different than S. 5. In its place, fairly simple language from the proposed Consumer Credit Code was substituted.

4. Definition of "consumer credit sale" 3(c): This is a new definition made necessary by the revised structure of section 4 which treats lender credit and retail credit separately. The new definition defines credit sales whose disclosure provisions come under section 4(b) as opposed to direct loans which come under section 4(c). The definition makes it clear that the act covers only those creditors who regularly extend credit in accordance with Senator McIntyre's comments during the hearings.

The definition of credit sale is also limited only to those leases which are, in essence, disguised sale arrangements. The definition has been so limited because there is no way to disclose a finance charge or rate in connection with a conventional lease as Governor Robertson pointed out on page 8 of his testimony. The language covering disguised leases is nearly identical to the language used in the Uniform Conditional Sales Act and in many State retail installment sales acts to distinguish between "true" leases and other leases.

5. Definition of "finance charge" 3(d): The term has been expanded to make its meaning clearer. With respect to real estate transactions, the definition indicates which of the typical closing costs are to be included in the finance charge and which ones are not. The rule followed was to include only those charges clearly incident to credit. Where there was doubt, the charge was excluded from the definition.

With respect to other credit, the definition makes it clear that taxes, official fees, and property or casualty insurance are not part of the finance charge. Exclusion of official fees and taxes meets a major objection raised by bankers and others who argued that inclusion would vastly complicate compliance with the rate disclosure provisions of S. 6.

The original bill was silent on whether credit life insurance should be counted in the finance charge or not. Under Secretary Barr recommended it be counted only if required by the creditor as a condition for obtaining credit. Governor Robertson recommended it not be counted regardless. The new definition adopts Under Secretary Barr's suggestion.

6. Definition of "creditor" 3(e): Essentially the same language is used, but Senator McIntyre's suggestion is reemphasized by restricting the definition only to those who regularly engage in credit transactions. Thus a small retailer who extended credit and charged for it in an isolated instance to accommodate a particular customer would not be covered.

7. Definition of "annual percentage rate" 3(f): This definition has been rewritten to achieve greater clarity. The old definition described what was essentially the actuarial method for determining an annual rate, but it did not use the term actuarial method. Many had difficulty in determining the interest. The new definition, rather than describing the actuarial method, merely indicates it is the method to be followed. This is a well recognized term in the mathematics of finance and has also a long judicial history under the U.S. rule (*Story* v. *Livingston* (38 U.S. 359) 1839).

The annual percentage rate for closed-end credit would thus be the actuarial rate. For open-end or revolving credit, it is defined as the periodic rate times the number of periods in a year which is exactly equivalent to the actuarial rate.

The definition also permits a creditor to simplify the computation by ignoring slight irregularities in the payment schedule, such as a deferred first payment, or one odd-sized payment. This will greatly simplify compliance while maintaining reasonable accuracy.

The Board is also given the power to prescribe other methods for determining the

annual percentage rate on irregular payment contracts. For example, the constant-ratio method, which is in the Massachusetts law, could be used for highly irregular contracts. It is possible to develop formulas or other shortcut procedures based on the constant-ratio method which would be much simpler than the actuarial method.

Finally, the definition makes it clear that creditors who determine their finance charges on the basis of a bracketed amount of credit can compute the annual percentage rate on the basis of the midpoint of the bracket. For example, assume a mail-order house charges a flat $20 for purchases ranging between $140 and $150. Under the new language, a creditor could compute the rate for $145 and disclose it for all transactions within the bracket, whether they were $140.01 or $149.99.

8. Definition of "open-end credit plan" 3 (g): This retains the original language of S. 5 but incorporates it under the definitions section rather than in the disclosure section.

SECTION 4. DISCLOSURE OF FINANCE CHARGES

9. Section 4(a): This is a prefatory section setting forth the basic requirement to disclose. It is similar to the original S. 5, except that it is made clear that disclosure need only be made to persons "upon whom a finance charge is or may be imposed." Thus, the disclosure requirement would not apply to transactions which are not commonly thought of as credit transactions, including trade credit, open account credit, 30-, 60-, or 90-day credit, etc., for which a charge is not made.

10. Disclosure on retail credit, section 4(b): The original S. 5 covered retail and lender credit under subsection 4(a). The new version splits retail and lender credit into two subsections—4(b) and 4(c). The reason for this change is to emphasize the fact that Congress recognizes the difference between these two forms of credit and does not deny the validity of the time-price doctrine upon which most retail credit is legally justified. This should prevent the act from being used as ammunition in any litigation challenging the time-price doctrine. Many retailers had expressed concern over this possibility.

11. Disclosure of other charges, section 4(b)(4): The new version clarifies S. 5 by restricting disclosure to these charges "which are included in the amount of the credit extended." The original S. 5 was ambiguous on this point and could have been interpreted as requiring charges not included in the credit to be listed in the total amount to be financed, which is a logical contradiction.

12. Disclosure of finance charge, section 4(b)(6): Reference is made to labeling the finance charge as a "time-price differential" to avoid any implication that Congress sees no validity in the time-price doctrine.

13. Disclosure of repayment schedule, section 4(b)(7): The original S. 5 required disclosure of the "time and amount of payments." The new version requires the "number, amount, and due dates or periods." This makes it clear that a creditor can disclose "36 monthly payments of $20 due on the first of each month begining in July" without actually listing the date of each individual payment.

14. Disclosing penalties for late payment, section 4(b)(9): This language is similar to the original S. 5 except that the requirement to indicate the terms applicable in the event of advanced payment has been deleted. Most creditors will rebate an unearned finance charge if the debt is paid early in accordance with the "rule of 78's". This is a complicated formula which would require at least a three-paragraph explanation to be intelligible to the average consumer.

15. Time of disclosure (first two sentences of last paragraph of sec. 4(b)): The original of S. 5 required disclosure "prior to the consummation of the transaction." The present version substitutes "before the credit is extended" with a stipulation that the disclosure can be made on the contract or other document to be signed by the consumer. This obviates the need for a separate piece of paper showing the disclosure items.

16. Disclosure for mail order or telephone sales (last sentence of last paragraph of sec. 4(b)): This permits mail order houses to comply with the act by disclosing prior to the first payment providing the general terms of financing are set forth in the catalog. A similar provision contained in the Massachusetts law. No such provision was in the original S. 5.

17. Disclosure on lender credit, section 4(c): This is a new subsection written to distinguish between lender and retail credit. It is a residual category encompassing all credit other than retail credit or open-end credit which are defined elsewhere in section 3. Hence, no definition of loan is provided as it would fall within the general definition of credit. Financial institutions such as banks, credit unions, savings banks, savings and loan associations, industrial banks, and consumer finance companies would fall under this subsection. Similar changes, described under section 4(b) for retail credit, have also been incorporated in the lender section.

18. Disclosure on open-end credit, section 4(d): This replaces section 4(b) in the original S. 5. It applies to retail open-end credit plans such as department store revolving credit and to lender open-end credit such as a bank's check credit plan. The section has been rewritten in accordance with Governor Robertson's recommendations in his testimony on page 6. Subsection 4(d)(2) applies to disclosure when the account is opened, while 4(d)(3) refers to disclosure on the periodic (monthly) statements.

19. Disclosing the period of free credit, section 4(d)(2)(A): This clarifies the original S. 5 to indicate the creditor must disclose the time period, if any, within which a finance charge may be avoided.

20. Disclosing the billing system, section 4(d)(2)(B): This is a new requirement not in the original S. 5 and is in accordance with Mr. Batten's recommendations when he testified for J. C. Penney's. As Mr. Batten pointed out, there is a substantial difference in dollar cost between the opening balance method and the adjusted balance method. This paragraph would require the disclosure of whatever method was followed.

21. Disclosure of method of determining finance charge, section 4(d)(2)(C): This paragraph is comparable to the original S. 5 in that it requires disclosure of the periodic rate expressed as an annual rate. However, it also requires disclosure of the complete method for determining the finance charge including the imposition of any fixed or minimum fees. Many department stores have minimum fees while bank credit plans often have a 25-cent per check charge. By requiring separate disclosure of these charges, the new version also recognizes such charges cannot be included in the rate.

22. Disclosure of method of determining other charges, section 4(d)(2)(D): This is also a new provision. It has been included in the event the Board determines the 25-cents-a-check charge on bank check credit plans or similar charges are not finance charges. In any event, they would be required to be disclosed.

23. Disclosure on periodic or monthly statements, section 4(d)(3): This subsection outlines the disclosure which must be made on the periodic statements. It differs from the original S. 5 by explicitly not requiring a statement if there is no balance in the account.

24. Disclosure of the amount of finance charge, section 4(d)(3)(D): This requires a statement of the finance charge similar to the original S. 5; however, it also requires that this charge be broken down to specify how much is due to a percentage rate and how much is due to a fixed or minimum fee. For example, the monthly charge on a revolving check credit plan would have to show how much was due to the 25-cents-per-check charge and how much due to the 1-percent monthly (12-percent annual) rate. This will insure direct comparability between the finance charge and the rate.

25. Disclosure of the balance for computing the finance charge, section 4(d)(3)(E): This paragraph is similar to the original S. 5 but it adds the requirement to state the method for determining the balance. For example, stores which use the adjusted balance methods might have a statement along the following lines: "You will be charged 1½ percent of your opening balance less any payments and returns during the month." Stores which use the opening balance method might indicate: "You will be charged 1½ percent of your opening balance unless paid in full within the month." This is also in line with Mr. Batten's recommendations and reinforces the distinction between the different billing systems.

26. Disclosure of equivalent annual percentage rate, section 4(d)(3)(F): This is similar to the original S. 5 except for the word "equivalent." This reinforces the notion that the annual rate is merely an equivalent statement of the monthly rate and does not purport to measure all the credit in use from the time of purchase to the time of payment. This is in line with Governor Robertson's recommendations on page 7 of his testimony.

27. Disclosure of the time for avoiding a finance charge, section 4(d)(3)(H): This is a new provision. The creditor would indicate, for example: "If you pay your bill within 30 days you will not be charged." It reinforces the idea of a "free ride" period for which there is no charge. This is also in line with Governor Robertson's testimony.

28. Acknowledgment of receipt of disclosure information, section 4(e): This is a new provision designed to facilitate the free flow of credit paper. It provides a bank or finance company with assurance that the original dealer has made the required disclosure and that the bank or finance company will not be liable for any failure, on the dealer's part, to make disclosure.

29. Disclosure to only one obligor, section 4(f): This provision is new and is designed to reduce needless paperwork. A creditor need furnish only one copy of a contract with the required disclosure information if two people (e.g., a husband and wife) are the obligors. A similar provision is contained in the Massachusetts General Laws (ch. 140A, sec. 4).

30. Information need not be given in the order outlined in the act, section 4(f): This is a new provision designed to afford flexibility. It is common in State retail installment sales acts.

31. Identical terms need not be used, section 4(f): This is a new provision. The authorization for the use of language different from that used in the act, so long as it conveys substantially the same meaning, is designed to avoid conflicts in terminology and to facilitate compliance with both State and Federal law in a single disclosure statement.

32. Additional explanations, section 4(f): Additional information or explanations are expressly permitted. This would permit J. C. Penney's to disclose the type of information which they felt they had no legal authority to disclose in Massachusetts.

33. Compliance with comparable State laws is compliance with Federal law, section 4(g): This is a new provision. It is intended to avoid duplication of Federal and State requirements, to leave State requirements untouched as much as possible, and to permit a creditor to avoid double paperwork. If he complies with the applicable State disclosure law, he need supply only the additional in-

formation required by the Federal act to comply with such Federal act. It also makes it clear that Congress does not intend to preempt consistent State law but merely to build upon it.

34. Adjustments after the contract do not violate the disclosure made, section 4(h): This is similar to the original S. 5; however, the original version only applied to adjustments through "mutual consent of the parties." The present version adds: "or as permitted by law, or as the result of any act or occurrence subsequent to the delivery of the required disclosures." A repossession permitted by State law but not mutually agreed to by both parties would affect the rate. The new language makes it clear that such a change would not violate the act. This meets the criticisms on this point raised during the hearing.

SECTION 5. RESOLUTIONS

35. Prescribing methods for determining the annual rate, section 5(a)(1): This expands upon the original S. 5 by specifically authorizing the use of rules, charts, tables, or other devices. Such express authority was recommended by the Commerce Department.

36. Prescribing tolerances, section 5(b): This is a considerable expansion of the original S. 5 which merely provided the Board authority to establish "reasonable" tolerances. Governor Robertson, in his testimony, requested a quantitative definition of "reasonable."

37. Tolerance on single rate situations, section 5(b)(1): This paragraph covers simple situations where a creditor uses a single add-on, discount, or periodic rate to determine the finance charge. For example, a bank which uses a 6-percent, add-on rate would know immediately that the actuarial equivalent was 10.90 percent on a 12-month contract. A credit union would instantly know that 1 percent per month was 12 percent a year. In such cases a tolerance to the nearest quarter of 1 percent is prescribed.

38. Tolerance for tables, section 5(b)2: This paragraph covers more complex situations where the creditor determines the finance charge in a more complicated manner such as a combination of monthly rates (e.g. 3 percent on the first $300; 2 percent on the next $200; and 1½ percent on the excess); or perhaps he determines the charge by an add-on rate of 10 percent plus a fixed charge of $10. In such cases the answer would be provided by a rate table. The bill authorizes a tolerance of 8 percent to be built into the table. This does not refer to 8 percentage points, but to 8 percent of the rate. For example, if the actual rate were 12 percent, the tolerance would be 0.96 percent (8 percent times 12 percent) or almost 1 percentage point. Thus, the tolerance would vary depending upon the size of the rate. For credit at 6 percent, the tolerance would be roughly one-half of a percentage point. At 12 percent it would be 1 percentage point. At 24 percent it would be 2 points and so on. A provision is added to penalize any creditor who willfully uses these tolerances so as to always understate the rate. The purpose of the tolerance is to simplify the construction of tables so that they do not have to be overly detailed. With such tolerances, the disclosed rate should, on the average, be slightly over the actual rate half the time and slightly under the actual rate half the time. If a creditor is always under the actual rate, he is obviously misusing the tables and would be subject to criminal penalties.

39. Tolerance for other situations, section 5(b)(3): This paragraph authorizes the Board to prescribe other reasonable tolerances for creditors who do not wish to use tables in computing the rate.

40. Tolerances for irregular payment situations, section 5(b)(4): This paragraph would permit the Board to prescribe even greater tolerances for irregular payment situations. It is expected, for example, that the Board will permit creditors to disregard a certain number of skip payments in computing the rate. In such a case, the rate computed as though the contract were a level payment contract might vary 2 or 3 percentage points from the actual rate. These irregular situations would be in excess of the slight irregularities already recognized under section 3(f)(1), 3(f)(2), and 3(f)(3) for which authority is provided to disregard.

41. Authority to prescribe adjustments and exemptions, section 5(c): This is similar to the original S. 5 except that the phrase "to facilitate compliance by creditors with this Act or any regulations issued hereunder" has been added as an additional authority for prescribing such adjustments or exceptions. Also "the Board may consider, *among other things*, whether substantial compliance with the disclosure requirements of this Act is being achieved under any Act of Congress *or any State law or regulations under either*" the words "among other things" were added at Governor Robertson's suggestion to make it clear these are not the only things the Board will consider. The phrase "or any State law or regulations under either" has also been added.

42. Consultation with other agencies, section 5(d): This provision is similar to the original S. 5 except that the determination of who should be consulted is up to the Board. This is designed to overcome Governor Robertson's concern that the Board's regulations might be challenged because it hadn't consulted a particular agency. Obviously the Board is going to consult other agencies with or without the language. However the section was not deleted, as Governor Robertson suggested, in order to convey the high importance the Congress attaches to consultation with other agencies.

43. Establishment of advisory committee, section 5(e): This differs from the original S. 5 in that the limitation of nine members has been removed and the per diem allowance is increased from $25 to $100 per day. The latter change is in line with Governor Robertson's observation that few members would be available at the lower figure. However, the section was not deleted as Governor Robertson recommended again largely to emphasize the high importance Congress attaches to consultation with industry. The limitation of nine has been removed to overcome the objection that this might deny adequate representation to some specialized segment of the industry.

SECTION 6. EFFECT ON STATE LAWS

44. Relationship to State law, section 6(a): The original version of S. 5 said the act did not annul State law unless the State law was "directly inconsistent." The present version drops the word "directly" and adds the further stipulation that inconsistent State laws are annulled "only to the extent of the inconsistency." The word "directly" was dropped because there is no apparent difference between inconsistent or directly inconsistent. The added phrase makes clear that S. 5 does not preempt an entire body of State law should an inconsistency arise in one case.

45. Effect on usury laws and time price doctrine, section 6(a): A new sentence was added at the end of the section 6(a) to make the intent of Congress clear that it does not regard the annual percentage rate as an interest rate within the meaning of the usuary statutes or the judicial interpretations of the time price doctrine. This language should make it difficult for anyone to cite S. 5 as evidence in any legal proceeding challenging a credit transaction under the usury statutes or challenging the interpretation of the time price doctrine. The language was supplied by the General Counsel of the Department of Commerce who recommended such a provision in the Department's report on the bill. This meets one of the major objections raised by the American Banking Association.

46. Exemption when covered by State law, section 6(b): This section is similar to the original S. 5 except that the Board can exempt creditors covered by a State law which is "substantially similar" to the Federal law. The original version of S. 5 only authorized exemptions if the State law required the "same information." Also the provision was reworded to make it clear the Board is only responsible for reviewing the law and not the effectiveness of the administration of the law. These changes are in line with Governor Robertson's suggestions.

47. Criminal penalties, section 7(b): The words "willfully and knowingly" were added as a condition for giving false or inaccurate information. Also, the section now makes it clear that the Attorney General will enforce the criminal penalties section. This is in keeping with Governor Robertson's testimony that the Board did not have any trained investigators or law enforcement officials.

SECTION 8. EXCEPTIONS

48. Business credit exemption, section 8(1): The original S. 5 provided an exemption to "business firms as such." This left an element of doubt with respect to farmers or proprietorships or independent professionals. The present version would exempt credit for "business, agricultural, or commercial purposes." This is basically a clarification of the meaning of the words "as such."

49. Exemption for transactions over $25,000, section 8(3): This is a new provision included on the recommendation of Governor Robertson. The exemption would not apply to real estate credit transactions. The purpose is to provide an objective test between consumer credit and business credit so as not to require the creditor to inquire continuously as to the purpose of the credit. If a credit transaction is under $25,000 and the creditor is uncertain if it is a business or consumer transaction, he will tend to assume it to be a consumer transaction to avoid violation. If it is over $25,000 he can safely assume it to be a business transaction without worrying about violation.

50. Effective date, section 9: As recommended by the Board the effective date has been changed from 6 months to 1 year to permit the Board to develop adequate regulations.

PUBLIC AND NONPUBLIC SCHOOLS—ALLIES OR ADVERSARIES?

Mr. McGEE. Mr. President, recently at its 27th annual conference in Portland, Oreg., the National School Boards Association reelected as its secretary-treasurer, Dr. George E. Ewan.

Dr. Ewan, a member of the District 7 Board of Education in Sheridan, Wyo., is a practicing orthodontist who has over the years found time, despite his busy practice, for a broad range of activities, many of them centering on education and on the youth of Sheridan. He is a past president of the Wyoming School Boards Association and, with his recent election at Portland, is serving his second term of office with the national association. We in Wyoming are proud of his service.

At that same meeting of the National School Boards Association, in Portland, another distinguished Wyomingite, Superintendent Maurice F. Griffith, of School District No. 2 in Casper, delivered a paper on the subject, "Public and Nonpublic Schools—Allies or Adversaries?" This, of course, is a question of continued interest among educators, lawmakers,

and, in fact, among people all over our land who share an interest in the quest for a higher quality of education for all of America's youth. He cites the example of his city, Casper, where a high degree of cooperation exists between the public schools and the parochial schools, and sums up by saying he cannot think of problems that might arise that could not be easily resolved.

The problems are resolved, in Casper as elsewhere, Mr. Griffith says, when people of good will working together for the benefit of children work at it.

I ask unanimous consent, Mr. President, that Mr. Griffith's paper be printed in the RECORD.

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

PUBLIC AND NONPUBLIC SCHOOLS—ALLIES OR ADVERSARIES?

(By Maurice F. Griffith)

The opportunity to address you on this topic means several things to me. One, I am attending my first meeting of the NSBA because of the invitation to appear at this clinic session. This is my first such attendance not because of a lack of desire to see what board members do when assembled in national meeting as compared with what school administrators do under similar circumstances but because I have believed we were adequately represented by our board members who have faithfully attended over the years.

Two, I find myself speaking in an area where strong opinions exist and where I am certainly not an expert even though I am hundreds of miles from home.

Three, whatever I say in connection with this topic is inevitably related, and closely, to the whole topic of Federal Aid to Education, an area where I have strong opinions that have recently been completely reversed.

As in any other contentious situation related to American education one finds rather firm and fixed opinions regarding public aid to private schools. We may as well recognize immediately that most of the conflict is related to aid to parochial schools with comparatively little attention being paid to the funds that flow into private colleges and private, nonparochial elementary and secondary schools.

Comments such as:

"Federal aid provided for parochial schools means the end of the public school system in America."

"If they wish to have public funds let them send their children to the public schools."

"We support the public schools without choice: We also, through our church pledges and tuitions support our own system of education. Who is better qualified to receive Federal assistance than our parochial schools."

"Some competition for the public schools of America would be a good thing."

are not unusual and the person who is without opinions on this controversial subject is quite rare.

All elements of the educational enterprise have been more than willing to go to court over the issue of public aid for use in parochial education. No sooner is a precedent set than it meets a legal challenge on the constitutional principle of separation between church and state. In December of 1966 the predictable reaction to the passage of the Elementary and Secondary Education Act of 1965 came on the authorization of use of Federal funds in parochial schools to help deprived children.

Four organizations—the American Jewish Congress, the New York Civil Liberties Union, the United Parents Association and the United Federation of Teachers—filed suits in Federal and New York courts challenging the constitutionality of such aid. Both suits asked for injunctions to halt the use of public funds in parochial schools pending a final decision—probably from the United States Supreme Court. Leo Pfeffer, attorney for the plaintiffs, predicted that the cases were likely to reach the nation's highest court around October 1968.

Although the question of separation of church and state has been with with us a long time its recent blooming has been caused by the sharp increase in Federal aid to schools in the past two or three years.

We find local school districts compelled to provide assistance to the children of parochial schools if they are to participate in the Federal funding. Such arrangements as public owned and operated buses serving the children of church related schools, textbooks provided for the children of such schools while owned by the public school, teachers under contract to the public school but teaching in the religious institution and shared time whereby the children of the private school attend the public school on a part-time basis.

All of these arrangements have been attacked from several sources as violating the intent of the Constitution on the separation of Church and State and as one might expect arrangements are forthcoming to make such things possible without great amount of dissent and discord.

One of the more startling arrangements is the plan being developed for Swanton, Vermont where planners have a distinctly different approach to public-private cooperation. They look at it this way: Since the chief obstacle to solving the educational church-state problem is the fact that public and parochial schools are kept apart, let's bring them together, physically and administratively. Administrators are hatching plans there to build a new school that will offer vocational, academic, and private religious instruction—in the same plant—to students who, today, are attending separate public and parochial schools. The project has been awarded a $59,000 Title III (ESEA) planning grant. Preliminary designs for the school—a comprehensive junior-senior high school—have already been prepared.

Father John LaBrake states "The parochial school as we know it today is an anacronism. It's on its way out. It simply can't operate effectively in this day and age." LaBrake is principal of Saint Anne's Academy which is headed for the linkup with the public schools.

What about the constitutional decree on public and private schools operating independently?

"Fine," say the area schoolmen. "But there's no reason why public and parochial functions can't operate independently . . . under one roof."

This then is shared time with a capital "S".

Another trend in parochial education, brought on in part by Federal aid, is that toward lay boards in place of the board of priests. Let me quote from a news release of last February—

"An end to parish control of Catholic grade schools was urged to save them from slow and agonizing strangulation." The "traditional structure is failing," said the Rt. Reverend William M. Roche, superintendent of Catholic schools in Rochester, N.Y. He called for a radically different administration taking church schools out of the hands of pastors and turning them over to parents to reorganize them under various school boards generally paralleling public school districts.

Catholic education "is on a grand downhill slide at the present moment," Msgr. Roche told the National Catholic Education Association. There is not enough Catholic money to support them on the present basis, he said.

"The shackles of archaic diocesan and parish administration must be broken," Msgr. Roche said, adding:

"To insure that the school is separated from the church structure, it must be incorporated as a legal and separate entity."

His proposal came as some do-or-die issues were put before the convention by the Most Reverend Ernest J. Primeau of Manchester, N.H. including these questions:

"Why should the church be operating schools at all?"

"Should we concentrate on one level of education or should we instead seek to promote education across the board on all levels?"

The movement of colleges in changing from close ties with a church to situations more closely resembling public controlled institutions is another example of the change in religious control to accommodate the availability for public funds for all educational enterprises. This movement has been precipitated by the historic case of Horace Mann versus Maryland Board of Public Works. This case denied construction grants of public funds to Western Maryland College (Methodist), Westminster and Notre Dame of Maryland in Baltimore and St. Joseph's at Emmitsburg, Md. both Roman Catholic. These grants were declared as in violation of the First Amendment which forbids acts respecting establishment of religion.

Of equal importance in the current situation is the fact that the court approved a state construction grant for Hood College in Frederick, an institution sponsored by the United Church of Christ. Why the preferential treatment for Hood? Because, said the court, the ties between Hood and its church were so vague and nondefinitive that Hood was, in effect, a nonsectarian institution. As such it could receive public funds with no constitutional problem.

Thus church related institutions of learning are finding it expedient to change their organizations to become eligible for Federal dollars. Federal control? Perhaps.

With the rapid modification of religious institutions to meet the demands of the Federal government in qualifying for grants we find less significance in the idea that the government could aid students in a school without aiding the school. This concept used to help with the passage of the ESEA of 1965 seems to have lost its place of importance because of the willingness of institutions to change their administrative structures in order to comply with the requirements of ESEA.

A new element in the relationships between private and public schools has been introduced, not by a religious order, but by the Chamber of Commerce of the United States. This body contends that change in education and indeed the whole process of upgrading public education can be most effectively brought about through the creation of competition among schools.

With this proposal we would find the public schools competing with private schools which would also be financed with public funds. Hence the law of the marketplace would be established and schools would change more rapidly than is now possible because of the necessity of keeping up with the competition.

This idea appeals to me as it would to any thoughtful public school educator who has been so frequently thwarted in his attempts to improve his program of education. The normal resistance to change of people particularly as regards change in schools is the element most often responsible for the continuation of the program of education of the 1880's in most areas.

Who wouldn't welcome competition if it

would mean the ready acceptance of change in order to keep up with the competition?

If this concept receives recognition it would certainly remove the pressure from religious orders to change their school to meet the demands of a Federal government.

As a more than somewhat prejudiced public school man embittered by the snail's pace of change in our schools I believe it highly unlikely that the people of America would "buy" the concept of generous aid to private schools in order to create a competitive situation.

One needs only to read the report emanating from the National Education Association to understand the reaction of the education fraternity to such a proposal.

Most schoolmen, and I was one of them until recently, contend that general aid to education from the Federal government would be much more desirable than the categorical aid we have had so far.

Two events of recent months have caused me to join those, if there are others, who might wish to have a continuation of categorical aid.

The first is the almost certainty of reduction in aid if presented in general form to the private schools. It is only because of the necessity of assisting the local parochial schools with special programs that we are now cooperating with them.

The second event is that well known, new institution on the American scene of teacher militancy and negotiations. We have gone through this for the first time this year and it was interesting to observe that all the money that was not absolutely required for other purposes went into salaries of teachers. This in itself is not bad for a good salary structure helps to make a strong school system.

I know, however, that most of the changes and improvements in our schools have been wrought with Federal funds. If we were to receive the same number of dollars now provided by the Federal government in the form of general aid it would join the other dollars going into teacher salaries with the minimal resulting change.

I present this in explanation of my earlier statement regarding my attitude toward general aid to education.

What then can be done to keep alive the important services rendered by our private schools in America? I consider them important because even though most such schools are poorly financed and non competitive with public education their loss to the American scene would only mean more entrenchment of the concept of regeneration of American public education every few years with only minor changes.

Our experience in a community with 14,000 public children and two parochial schools may show the way for cooperation without creating the mythical monster of a strong religious system of schools that will engulf the public schools.

In many years of administrative work in our community I had never met the teachers and administrators of our parochial schools until Federal fund availability made it desirable for me to do so.

Our meetings around the conference table quickly convinced me that the Catholic educators had the same ideals and desires for their children as we had for ours. They displayed a willingness to cooperate that was pleasant to behold. Our similar attitude made possible a system that is working and will continue to do so.

We have shared time. We are paid our share of state funds for the time that Catholic students spend in our schools. We offer them science and physical education courses that are beyond the financing possibilities of the parish.

We have established portable buildings at another parochial school where we offer special reading classes for the Catholic children who are not progressing satisfactorily in this skill. We employ the teacher and provide textbooks and supplies. I would hasten to add that we do this in a portable building not from fear of contamination of the religious atmosphere of the parochial building but only because there is not room for our class in it.

A new and lovely grade school erected by another Catholic parish in our community has been leased to us for public school use for several years because of the inability of the parish to staff the building for a religious operation. We permit the Church to hold catechism classes, youth meetings and other religious oriented meetings in the building when we are not using it.

We have transported Catholic children for years in our buses to their schools. This has been done without establishing special trips or routes and no one has challenged us so far.

The children and teachers of the Catholic schools attend special performances of various kinds held in our schools and make use of televised programs that go into our classrooms.

How can all of these things be done and I am confident that we are not the only community in America now doing them? They can be accomplished by people of good will working together for the benefit of children. I cannot, now, think of problems that might arise that could not be easily resolved between the religious representatives and our public school people.

Here then is a way to keep healthy competition alive and to, perhaps, keep the public schools from becoming worse than they are because of a complete monopoly.

Thank you.

BULK POWER SUPPLY FOR SMALL SYSTEMS

Mr. KENNEDY of New York. Mr. President, the American Public Power Association recently held its 24th annual conference in Denver. Members of the association gathered to discuss the problems and progress of public power systems in the United States.

Commissioner Charles R. Ross of the Federal Power Commission, addressed the conference on May 9, 1967, on the subject of bulk power supply for small systems. Commissioner Ross suggests a number of steps that should be taken by small public power systems to insure that they share the economic benefits of power pooling and generation of power by large nuclear plants.

Commissioner Ross' remarks deserve the attention of everyone interested in lowering the cost of electricity for consumers. I ask unanimous consent that the text of his address be printed in the RECORD.

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

BULK POWER SUPPLY FOR SMALL SYSTEMS

(An address by Charles R. Ross, Commissioner, Federal Power Commission)

Recently, in a series of articles on the New England Power controversy by the Providence *Sunday Journal*, it was stated,

"Where does this controversy, the promises and estimates leave the homeowner? Whether power is public, private or something in between does not matter. What does matter is that, in this battle between power interests, it may be the consumer who loses."

As far as I am concerned, this concern for the consumer should be the overriding consideration by the managers of the publicly-owned systems, by the executives of the investor-owned systems, and by government officials whether regulatory or operating. However, much too frequently, I have sensed that the power industry still wants to carry on a public vs. private feud at the expense of their consumers. I also have the feeling sometimes that investor-owned companies don't want to pool and take advantage of the economies inherent therein because of their desire to maintain their own corporate empires where the executive is still the big fish in a small pond. Sometimes, too, the investor-owned utility seems unwilling to pool for fear that this will bring federal regulations which can mean someone looking over its shoulder to see if the consumer is getting what he is entitled to.

The publicly-owned utilities, for their part, sometimes forget their special role. One would normally think that, being publicly-owned, the consumer always is the beneficiary. This may not always be the case. A traditional feeling of distrust towards the investor-owned utilities permeates the thinking of some municipal systems. In the past, this feeling may have had some grounds for justification. However, as we pointed out in the *National Power Survey*, the Federal Power Commission is hopeful and we are encouraged that we can provide a forum where your rights may be protected. We are confident that in the years ahead you will not be forced to provide your own generation at a higher cost as contrasted to entering into contractual relationships for purchased power on more reasonable terms. Just as in the case of private systems, there also exists a natural human tendency to empire-build by the public systems. Let us be sure that every proposal can stand on its own two feet.

I might add here a remark about one tendency of the public systems to fail to distinguish between tax payers and citizen users of the electricity. Don't ever forget your primary obligation is to furnish energy to your customers at the lowest reasonable rate. It is not the obligation of the electric light department to finance every other department in the city so as to hold down the property tax rate. When a municipal fails to charge the lowest rate possible, consistent with a sound, up-to-date system, it will be sounding its death knell.

In discussing the public vs. private power relationship, I do want to emphasize one important valuable by-product which has and I hope will continue to benefit the consumer and that is, the American tradition of competition. I applaud your efforts to show up the executives of the investor-owned systems and I applaud the efforts of the private sector in constantly seeking ways to lower rates which offset some of the tax benefits you may have. Because the nation likes competition, we have been blessed with a pluralistic power system. As I have said many times before, I would hate to see it otherwise. Furthermore, I believe that, generally speaking, the present relationship is good. In other words, I would be distressed to see very many "take overs" by either side since it might well disrupt what seems to be a more and more harmonious relationship. In fact, the longer the existing status can be retained and the more vested the interests become, the more likely ultimately we will have an unofficial territorial recognition of the areas of each group. Let me hasten to add that territorial recognition must be accompanied by effective regulation. This is to assure the consumer that he gets all the benefits that can flow from such recognition with none of the detriments likely to result from an unregulated, single utility within a legally-protected service area.

Before going into greater detail as to the problems and possible solutions for the publicly owned systems in securing low cost power which will enable them to compete with the private systems, let me digress for a moment about the rights and future demands of the consumers who are often

caught in the cross-fire between these two large and important groups. These same consumers are also often times the civilian casualties of the war for lower and lower rates. As I have said before, in commenting on certificate legislation for EHV, the general public, in my opinion, will force public and private groups to accept a joint use of wheeling concept for EHV since the indiscriminate taking of duplicate rights of way is a luxury our nation cannot afford. Furthermore, the public is also trying to tell the power industry, both public and private, that low rates in and of themselves, are not necessarily the sole criterion in utility operation. The public, through their representatives in Congress and the Executive Branch, are trying to convey a message, which seems to fall on deaf ears, that the quality of their environment really is important to them. To breathe clean air, to swim in clean, cool water, to be stimulated visually by the beauty of our environment, to enjoy freedom from a never-ceasing pounding on our ear drums are freedoms which we must possess if as citizens we want to maintain our sanity. If you think or believe that it is only the rich who feel this and can afford such a luxury, you are way behind the times. As a taxi driver in Chicago said to me recently as we were driving along Lake Michigan through a haze, "Can't we do better than this? What's so hot about low rates if I'm not around to benefit from them?"

To get back to the primary reason for my visit here, let me explore for a moment some of the problems that I see facing you, the managers of public systems, in securing a low-cost power supply to enable you to maintain your existence as an integral part of the power systems of our country. Incidentally, some of the problems are also bothering the private systems since an abundant supply of low-cost power is essential to them in their increasingly hot competitive struggle with the natural gas industry for heating and air-conditioning loads.

As I visualize the future for your systems. I foresee the absolute necessity for small municipal systems to join the parade and become participants of the newly forming bulk power supply pools in order to take advantage of the economies of scale and the technological progress which these pools make possible. Even if you dispute the contention that reliability of service can be best maintained by stronger and stronger interconnections, you will not be able to produce low-cost power with the small units inherent in separate, isolated systems. The huge units which pools are making possible give the private sector the chance for the first time in their history to produce power at such low prices that they may be able to outsell you at the meter despite your tax advantages. Needless to say, this has ramifications for you. Undoubtedly, some of you are already visualizing the next take over campaign. This need not happen, however, although it may require some changing of the rules.

The first rule or guideline which needs acceptance is the requirement that membership to all pools be nondiscriminatory. This should be your Civil Rights Act of 1967. The mere fact that you are a public body should not bar your entry. Nor should the membership rules encourage you to build inefficient generation. The primary criterion of a pool should be the lowest cost generation and transmission for the benefit of all consumers, public and private. The planning undertaken by such pools should be open and above board. Uncertainty as to the plans of the large pools in the region is a real handicap to the manager of the small system in knowing what his best alternatives are. The general public, as well as industry, has a "Right to Know." With the plans and criteria subject to public scrutiny, you will know where and how to proceed.

I would be remiss, however, if I failed to point out that the basic principles of economics will have to be recognized in setting the ground rules of the pool agreements. In other words, some of the more well-endowed participants may be able to do better because of their contributions to the pool, such as lower-cost units, better types of load, etc. While this may be the case and a free ride is prohibited, nevertheless, the same general rules should apply to every one. If marginal pricing is fair in one situation, then it should be used in a like situation. If transmission charges are based upon displacement in one situation, it should be used for similar situations.

Because admission to a pool may in years ahead be the most vital factor in the life of a small municipal, I feel that Justice Department overnight is necessary. I frankly am pleased to know that Justice has been and is interested. Furthermore, the interest Justice has shown in the past has been helpful. I can't really foresee the Justice Department prohibiting pools *per se* unless (1) they are discriminatory, (2) the results of such pools are to drastically change the nature of our existing pluralistic system or (3) the concentration of economic power by such pools violates some aspect of the national interest. I am sure that no sincere member of a pool really seeks these objectives. If that's the case, they have nothing to fear.

In addition to becoming members of a pool, the small municipals must have a chance to buy into some of the organizations being formed to construct large nuclear plants. It is my understanding that the taxpayers in this nation have invested over $40 billion in nuclear development; of the nearly $1 billion that is being expended annually for R&D in the electric industry, roughly 5% was contributed by the major utility companies.[1] Under these circumstances it would be ironic if the only consumers in the nation that will benefit from the nuclear revolution are those of private systems. With the acceptance of the fact that the larger the nuclear unit, the more economic it becomes and with the anticipation of greater economies inherent in the breeder reactor which I hope comes faster than some would will, it becomes harder than ever for a municipal to construct a nuclear plant for itself. In addition, to the extent local or state law requires you to locate a plant within your municipal boundaries, you may be prohibited because of safety rules. Furthermore, probably one of the most critical factors in the location of a nuclear plant, namely an adequate supply of cool water, will usually prohibit the location of a plant within your municipal boundaries.

Senator Aiken of my native State of Vermont, I am proud to say, has already indicated his awareness of these types of problems which face the municipal utility. In a recent hearing on the Licensing and Regulation of Reactors, he stated,

"One thing I wanted to ask about, following your discussion, is that in granting a license I don't see that you give any weight ing to the possible creation of a monopoly in the power supply for an entire region. What I mean is this: suppose there are 20 or 25 utility companies of varying size servicing an entire region. Five of them are what we call big boys; the other companies vary in size from pretty good size down to rather small, local distribution systems. Suppose the five big ones get together and say, 'We will apply for a 750,000 or a one million kilowatt nuclear plant. When we get it, we will squeeze these little nuisances right out of business'.

"How do you handle that situation? How do you act to prevent establishing a monopoly in the hands of a very few people?"[2]

* * * * *

"Up in New England, I presume you know that the larger companies which have applied for a license have now offered to sell stock to the smaller ones who originally were excluded from their plans. Of course, that is an ideal way, I think, of handling the situation if it works, although their application for a license, I believe, states that the entire amount of power will be used by the companies that are applying for it. That, however, could be changed.

"I think it is serious, because we have used a lot of public funds in developing low-cost nuclear power. That would be low-cost in the area I come from; it might not be in some other parts of the country."[3]

In reply to these queries by Senator Aiken, A.E.C. indicated that if there were competing applications and a question were raised, they would refer it to the Justice Department.

That progress is being made is evident by the fact noted by Senator Aiken, namely, that the Vermont State Public Service Board under the Chairmanship of Ernest Gibson, Jr., has entered an order providing for Vermont Yankee Nuclear Corp. to allow participation by the municipals and coops. This is really a truly significant step by Vermont and as Senator Aiken noted, the participants in this project have authorized an offer to the Vermont municipals and coops. While some negotiation still remains as to the offer, it is encouraging that the concern reflected by Senator Aiken and the Vermont State Public Service Board is being taken into account.

In my opinion, unless all segments of the industry can avail themselves of the economies of nuclear generation through voluntary efforts, it may become necessary to provide legal means to achieve a fair share for the municipals and coops. Simply put, it has been the taxpayers of the whole nation, private and public, who financed the research and development of the nuclear power industry. Living as we are under the shadow of the nuclear bomb, let's make sure that the one major peaceful use of the atom is available to all at the lowest possible price so that we can at least fool ourselves a little into believing that "it" isn't so bad after all.

In participating in these nuclear pools or organizations, I see no reason why a municipal, if local or state laws allow it and they should, should not be able to secure its revenue requirements to buy-in through its normal municipal channels. This certainly is a matter of local discretion and if the tax laws allow the municipal to raise funds on such a basis to build and operate plants of their own, then they should be allowed to do so here. In addition, conditions for buying-in should not be onerous for small buyers in comparison to the large systems. By this, I mean that municipals and coops shouldn't be required to put all their eggs in one basket any more than a private system would. Along these lines, then, I would suggest that municipals and cooperatives not be obligated to buy-in a share greater than the ratio of the private company's interest in the new plant to its total system supply. In this way, the small system will still be flexible enough to buy from new, more efficient plants as they come on the line. Moreover, municipals and cooperatives should have the right to buy into a new plant at least at that same ratio. This would assure the small systems that their shares in the new plant would be more than token recognition.

In conclusion, I want to reemphasize a few factors which in my opinion are essential to

[1] Milton F. Kent, Forum Magazine, Jan.-Mar. 1967, p. 21.

[2] *Hearings before the Joint Committee on Atomic Energy on the Licensing and Regulation of Reactors,* April, 1967, Transcript, pp. 327–8.

[3] *Id.,* at 329.

an adequate low-cost source of power to your customers.

First of all, your consumers can't afford to allow any "escalation" of the public vs. private feud. For reliability reasons and economic reasons, the power industry must operate as one but preserving the unique contributions of both public and private sectors.

Secondly, we must continue to explore and meet the limiting factors on large scale generations. One of these factors is the scarcity of good sites for large-scale power generation whether thermal or even more difficult, nuclear. The tremendous amounts of water needed to adequately cool the large nuclear units effectively restrict their location because of thermal pollution. In the earlier portion of this century, hydro sites were considered so valuable that we instituted a policy of withdrawing the lands where such sites were located. In my opinion, the scarcity of sites for nuclear plants of the scale on the drawing boards requires an immediate national inventory of them. If long-range considerations require, such sites should be acquired or withdrawn as soon as possible. At the same time, it may be appropriate to coordinate future EHV rights-of-way from the plant sites to population centers and if necessary, to reserve such rights-of-way as well.

Another factor that limits the development of large scale nuclear generation is our inability to date to come up with an economical, safe, large-scale breeder reactor. We know that we must have it since presently known sources of uranium in the United States cannot fuel the expanding conventional nuclear development for too many years in the future. You, in the municipal systems, should on behalf of your customers support and urge continued progress in this exciting prospect. Maybe, the New York Power Authority or some similar publicly-owned group with the advantage of low-cost money could lead the way here.

Third, the municipal power systems must continue to support, support for which I am grateful and acknowledge, the most economic joint use of large-scale transmission systems. This must be done under federal regulation. Without this, I am afraid your hopes of low-cost power will be day dreams only.

Fourth, we need your help in maintaining a vigorous and fair scrutiny of wholesale power contracts. In 1964, in discussing the future of small power systems, we indicated that we were attempting to eliminate the legal and psychological barriers "by effective and impartial regulation of wholesale electric rates and terms and conditions of service for transactions in interstate commerce." We further stated, "Where economic strength alone determines bargaining power, the small systems may be at a disadvantage, but where regulation is effective, long-term wholesale relationships can be built firmly on a foundation of legally enforced rights and responsibilities. With such foundation, the parties are enabled to reach the most economic solution to the problem of power supply under the particular circumstances of each case." The *Shrewsbury* case, as you know, has been one of the landmark wholesale rate cases in the history of the Commission. The *Gainesville* and *Crisp County* cases indicate the thoroughness with which the Staff explores the possibility of coordination. Since these cases are before us, I cannot comment further. They do indicate, however, the Staff's interest in your problems. The New England power study, the Kansas study, the Wisconsin study and our interest in the upper Middle West have contributed directly, I believe, to the welfare of your customers. We promise you knowledgeable, vigorous and fair regulation. We won't be able to make that promise, however, if certain proposals to limit our jurisdiction are successful. Here again, we need your help.

Fifth, I ask you, on behalf of your customers to study carefully and support if you can, a bill which we hope to propose to Congress shortly. I feel that such a bill will provide all the customers of this nation a reliable, low-cost source of power. Undoubtedly, there may be areas of disagreement over particular terms of this bill. In fact, the Executive Department may have its own variation. Also, without question, any bill probably will be improved during the careful consideration it will receive before appropriate committees of Congress and during passage therein if it gets that far. Let us all use the most imaginative and resourceful approach possible in trying to achieve something constructive from the now infamous Northeast Blackout of 1965.

PROTECTING THE HEALTH OF URANIUM MINERS

Mr. BAYH. Mr. President, there has been a deluge of oratory and printed opinion about the tragic effects on the health and lives of those men who have been working in our Western uranium mines. Too much of the debate has centered on economic consideration as opposed to the real concern for human life.

The record is graphic enough. There can be no conjecture on this score: 98 men are already dead, and apparently, 10 times that number may be doomed.

Even today, men are still working in unprotected uranium mines, betting that they can beat the odds against them. Their chances, however, are not good, and they become worse with each working day.

In the meantime, Secretary of Labor Wirtz has taken positive action to remedy the situation. Using his authority under the Walsh-Healey Public Contracts Act, he has acted drastically to put a stop to this chaos. There is no dilemma here, for surely no consideration can be more important than the lives that may yet be saved.

His directive was studied and sound. Since the concentration of radon can be measured scientifically, Mr. Wirtz acted to remove men from the kind of risk no reasonable man could support.

I commend the Secretary of Labor for proceeding according to his conscience and believe that the Nation will support his move.

CALIFORNIA MEXICAN-AMERICAN EDUCATORS ENDORSE BILINGUAL EDUCATION LEGISLATION

Mr. YARBOROUGH. Mr. President, at their 1967 State convention, the California Association of Mexican-American Educators passed a resolution which specifically endorsed legislation for bilingual education, such as that proposed by Senate bill 428. This active and aware organization, headed by President Edward Moreno, is familiar with the problems faced by our non-English speaking Mexican children in the Southwest. This qualification makes the endorsement of this association extremely important.

I ask unanimous consent that the resolution passed by the State convention, in San Francisco, on May 28, 1967, be printed in the RECORD.

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

RESOLUTION 1

Whereas: This nation is actively engaged in promoting peace and understanding among non-English countries throughout the world, and

Whereas: This nation's people are finding it an economic necessity to become bilingual, and

Whereas: This nation possesses a considerable reservoir of natural bilingual peoples, and

Whereas: Guidelines under ESEA, NDEA and Higher Education Titles are not cognizant of the specific needs of non-English speaking children, and

Whereas: The immensity and complexity of the needs of non-English speaking children—especially Mexican-American children in the Southwest have not been met, and

Whereas: Specific funds for non-English speaking children would reflect a concern to perceive him, his language and his culture as an asset to society, and

Whereas: The goals of this nation are to prepare functioning citizens in this democratic society

Be it resolved: That the Association of Mexican-American Educators go on record in support of bilingual education—especially Bill S. 428 introduced by Senator Yarborough and HR 8000 introduced by Congressman Roybal.

TRUTH IN LENDING

Mr. McGEE. Mr. President, the Subcommittee on Financial Institutions of the Committee on Banking and Currency, of which I am privileged to be a member, has concluded hearings on S. 5, the truth-in-lending bill, which has been endorsed by the administration.

The hearings on this proposed legislation for the benefit of the American consumer have been completed and I followed them with interest. My reason for doing so has been the belief that we should help in every possible way to safeguard the interests of the American consumer.

While the American consumer today enjoys the highest standard of living ever, he is also particularly faced with a great deal of misinformation and confusion when he borrows money or makes purchases on credit. S. 5 will help us to attain this desired goal—eliminate misinformation and confusion on the part of the consumer, and in so doing, make the credit industry truly a competitive industry by enabling the consumer to make an intelligent choice.

The truth-in-lending bill is very much like another important piece of consumer legislation which the 89th Congress saw fit to pass—namely, the Truth in Packaging Act to tell the buyer what he is purchasing, how much it weighs, and who made it. I am convinced S. 5 is as necessary and worthwhile a measure as the Truth in Packaging Act. It will make a significant contribution toward assisting and safeguarding the American consumer in the credit field.

Consumer credit has become a huge and complicated business. It is now more than a $100 billion industry and is growing fast in both size and complexity. For many average consumers, it is a be-

wildering jungle of rates, terms, and payments—one that often eludes comprehension and precludes the making of accurate buying decisions. There is a vast array of practices—add-ons, discounts, percent of original balance, monthly payment amount, term price differential, sales price versus cash price, rule of 78's, and so on—all of which can be understood only by an expert.

Take the case of a consumer who wants to obtain credit for a $100 purchase to be repaid in monthly installments. Confronting him are some of these alternatives:

First. The consumer is told that the charges will be $10 down and $10 a month, but he is not told either the finance charge or finance rate.

Second. The consumer is told that the finance charge will be $6 on the $100 12-month installment loan. The lender usually represents this as a 6-percent annual rate. Actually, the annual rate is about 12 percent or nearly twice the stated rate because the borrower, over a period of a year, only has the use of about an average of $50, rather than the $100 face amount. In other words, at the end of 6 months the borrower will have only about $50, having already repaid approximately one-half of the loan. This is known as the add-on rate.

A variation of the add-on rate is the discount rate. In the add-on, the borrower receives $100 in cash or goods and must pay back $106. Under the discount technique, the consumer receives $94 but repays $100. The finance charge is paid in advance. But, again, the actual rate is approximately 12 percent because the borrower is periodically repaying the loan and, unlike the add-on situation, he had the use of a maximum of $94 and not $100.

With respect to add-on and discount loans, the consumer is often quoted a rate based on the original amount of the debt, not on the declining or unpaid balance as is the custom in business credit, mortgage transactions, and Government loans.

Third. Another alternative is the simple monthly rate. This is usually quoted by lenders and retailers using revolving credit plans. The rate stated is usually from 1 to 4 percent per month. The annual rate is generally not computed, but could easily be given. For example, the annual rate for credit now stated as 1½ percent per month is simply 18 percent, or 12 times the monthly rate.

One can only wonder how many consumers are actually aware of the costs involved in these type of transactions. What it comes down to in many such cases is this:

The 4.5-percent new financing plan of some banks is really an approximate annual rate of 9 percent.

The 3-percent-per-month plan of some loan companies is really an approximate annual rate of 36 percent.

The service charge of 1.5 percent per month on revolving charge accounts at department stores is 18 percent per annum.

Confusion in the credit field can be further illustrated by a study by Juster and Shay, entitled "Consumer Sensitivity to Finance Rates." A sample of 800 families were asked in the study to estimate the rate they were paying on their debts. Their average estimate was 8.3 percent. But actually, it was much, much higher—some 23.2 percent. Misunderstanding and confusion of this nature is not uncommon among Americans who use and need credit. Frequently, they are documented in the long lists of bankruptcy proceedings in the Nation's courts.

Many industry leaders and Government officials have admitted publicly to being confused by the practices now used by lenders and vendors in stating their finance charges on consumer credit. One can only wonder what is the rhyme and reason for this bewildering and often incomprehensible variety of methods for stating the costs of credit that exists today. Whatever it may be, the situation has become a very unhappy and unfortunate one.

A solution to this problem must be found. The consumer has to be informed of the cost of credit fully, accurately, and in an understandable way to shop wisely and prudently. S. 5 can accomplish this objective. The bill's most important feature, the requirement to state the finance charge as an approximate annual percentage rate, in addition to its statement in dollars and cents, will provide for uniform disclosure of finance charges in a manner that is fully responsive to the American consumer's needs. With uniform disclosure, consumers will be able to compare the many alternative forms of credit available to him. He will even be able to compute whether it would be preferable to withdraw from his 4.5 percent savings account rather than borrow at a higher annual rate.

As for the lender, I have found no substantiated evidence that S. 5 will be significantly burdensome for him. In fact, I believe the hearings held by the subcommittee have shown the bill's workability, with the presentations of standardized tables that have been developed for relatively simple computations of any kind of finance charges, with no significant burden placed on the businessman.

In the past, critics of truth-in-lending legislation have argued that the complexity of credit transactions makes disclosure of finance charges very difficult, if not impossible. After the recent hearings, I am convinced that this concern is groundless.

I conclude my remarks by saying that truth in lending has proven successful in the instances where it has been adopted. I refer, for instance, to the States of Massachusetts and Wisconsin, where such laws have been passed, and to the directive of the Department of Defense on truth in lending, issued last year. The experience of Massachusetts and the Department of Defense, as related in the hearings, is conclusive proof of the acceptability and workability of annual rate disclosure.

Mr. President, for the benefit of the entire Nation, I urge the prompt passage of S. 5, the Truth-in-Lending Act of 1967.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

ADJUSTMENTS IN OUTSTANDING SILVER CERTIFICATES

Mr. BYRD of West Virginia. Mr. President, I move that the Senate proceed to the consideration of the unfinished business, S. 1352.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1352) to authorize adjustments in the amount of outstanding silver certificates, and for other purposes.

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

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. BYRD of West Virginia. 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. SPARKMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. SPARKMAN. Mr. President, I urge that the Senate act promptly on S. 1352, the administration bill relating to silver certificates.

I ask unanimous consent that excerpts from the committee report be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit No. 1.)

Mr. SPARKMAN. Mr. President, I ask unanimous consent that there be printed in the RECORD at the conclusion of my remarks a letter addressed to me by Mr. J. Allen Overton, Jr., executive vice president of the American Mining Congress under date of May 16, 1967.

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

(See exhibit No. 2.)

Mr. SPARKMAN. Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a letter addressed to me by the Honorable Joseph W. Barr, Under Secretary of the Treasury, under date of June 5, 1967.

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

(See exhibit No. 3.)

Mr. SPARKMAN. Mr. President, S. 1352 would authorize the Secretary of the Treasury to write off lost or destroyed silver certificates and free for other use the silver now held against the certificates.

S. 1352 would require holders of silver certificates who wish to convert them to silver to do so within 1 year. Thereafter the certificates would continue to be legal tender, but would not be convertible to silver.

S. 1352, under the Bennett amendment, would require the Treasury to hold for 1 year, and then turn over to the critical and strategic materials stockpile, 165 million ounces of silver.

Another amendment, submitted by me and cosponsored by the senior Senator from Utah [Mr. BENNETT] would permit the mint to reintroduce mint marks on the coins.

The rapidly increasing demands for silver for industrial uses have made it necessary to convert from silver subsidiary coins to the new clad coins made out of copper and nickel in the case of 10-cent and 25-cent pieces and with a silver content in the 50-cent pieces reduced to 40 percent.

Demands for silver are increasing even more now than in recent years, and, if they continue much longer, it will not be possible for the Treasury to maintain the price of silver at $1.29 an ounce. A substantial increase in the price of silver might lead to the withdrawal of silver subsidiary coins from circulation before they have been completely replaced by the new clad coins, which might cause very great problems for all persons and industries which use coins.

The situation is sufficiently serious so that, after consultation with the Joint Commission on the Coinage at its first meeting May 18, 1967, the Treasury Department has issued an order to prohibit the minting, treatment, and export of silver coins, and it has adopted the policy of refusing the sale of silver to any buyer other than a legitimate domestic concern which uses silver in its business, and then only up to a 2-month inventory. The silver markets in this country and abroad are in confusion and turmoil, and speculation is rampant.

I would like to assure the Senate that by the passage of this bill, plus the action taken by the Treasury on May 18, 1967, in discontinuing sales of silver to any buyers other than legitimate domestic concerns which use silver in its business and invoking its legal authority to prohibit the melting, treatment, and export of silver coins, we will not have a shortage of silver. Our legitimate domestic users of silver will be able to have their normal needs supplied, and we will have sufficient silver for our coinage needs.

In my judgment the Congress should act promptly and decisively on S. 1352 which, as amended, was unanimously reported. I am advised that the Silver Users Association is also in favor of prompt approval of this bill.

A fact sheet has been supplied to us by Adm. Donald J. Ramsey, who is the legislative counsel of the Silver Users Association of the United States, in which he supports the bill as it has been reported, without further amendments.

I ask unanimous consent that this fact sheet be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit No. 4.)

The PRESIDING OFFICER [Mr. JORDAN of Idaho in the chair.] The bill is open to amendment.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc; and that the bill, as thus amended, be regarded for purposes of amendment as original text.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama? The Chair hears none, and it is so ordered.

EXHIBIT 1

EXCERPTS FROM COMMITTEE REPORT NO. 232

WHAT THE BILL WOULD DO

As introduced, S. 1352 contained two provisions, which are included in the bill as reported:

(1) It would authorize the Secretary of the Treasury to write off silver certificates he determines have been destroyed or irretrievably lost or are held in collections, and will never be presented for redemption, thereby freeing for other use the silver now held against those certificates.

(2) It would require holders of silver certificates who wish to take advantage of the Government's commitment to convert them to silver, to do so within 1 year. Thereafter, these certificates would continue to be legal tender, but not convertible to silver.

The committee added two amendments to S. 1352:

(1) The first amendment—the Bennett amendment—would require the Treasury to hold for 1 year, and then to turn over to the stockpiles established under the Strategic and Critical Materials Stock Piling Act, 165 million ounces of silver—the amount of the reserve for defense purposes established by the Office of Emergency Planning under that act.

(2) The second amendment—the Sparkman amendment based on the chairman's bill, S. 1008—would repeal the prohibition against the use of mint marks contained in the Coinage Act of 1965, and would permit the mint, at its discretion, to reintroduce mint marks.

PURPOSE OF THE LEGISLATION

The basic purpose of the legislation is to assure an adequate supply of coins to meet the needs of the economy during the remaining stages of the transition from silver coins to the new clad coins. It would do this by increasing the supply of free silver available to the Treasury to prevent a rise in the market price of silver which would bring about the withdrawal of silver coins from circulation, and by providing a reasonable period—1 year—for holders of silver certificates to get silver from the Treasury.

In addition by virtue of the Bennett amendment, the bill would assure maintenance of an adequate supply of silver for defense purposes—165 million ounces—in the Treasury during the year following enactment, and would require transfer of this reserve to the stockpiles established under the Critical and Strategic Materials Stock Piling Act at the end of the year.

By permitting the reintroduction of mint marks on our coins under the Sparkman amendment, the bill would also permit the mint to exercise greater security and manufacturing controls over our coinage, and it would satisfy the requests of coin collectors who have expressed an interest in knowing which of our mints have made the coins they collect.

BACKGROUND OF THE LEGISLATION

S. 1352 is one more step in the transition from a coinage system based on silver, where the coins themselves are made of precious metals and have value in and of themselves, to a functional system of coinage, where the coins are made of base metals and have no value except as legal tender.

This change has been made necessary by the technological demands of the Nation's industry and commerce. Silver, once used almost exclusively for tableware, jewelry, and coinage, is now one of the most highly prized industrial metals. For example, in 1966 the industrial consumption of silver amounted to 150 million ounces, distributed as follows:

	Million ounces
Photographic film and paper	46.5
Electrical and electronics	36.0
Silverware and jewelry	25.5
Brazing alloys and solders	18.0
Batteries	10.5
Dental and medical	4.5
Mirror	3.0
Miscellaneous	6.0
Total	150.0

The following Treasury Department table shows what has happened to silver over the past 15 years:

Estimated free world silver consumption and production, 1949–66

[In millions of fine troy ounces]

Calendar year	Industry and the arts (1)	Coinage			Total consumption (3)	New production (4)	Indicated deficit (−) (5)	Deficit excluding all coinage demand (−) (6)
		United States	Coinage foreign (2)	Total coinage				
1949–53 average	153.1	36.5	48.2	84.7	237.8	173.9	−63.9	20.8
1953–57 average	190.1	37.5	36.0	73.5	263.6	191.0	−72.6	.9
1958	190.5	38.2	41.3	79.5	270.0	205.8	−64.2	15.3
1959	212.9	41.4	45.0	86.4	299.3	188.4	−110.9	−24.5
1960	224.6	46.0	57.9	103.9	328.5	206.9	−121.9	−17.7
1961 (revised)	239.5	55.9	81.2	137.1	376.6	203.2	−173.4	−36.3
1962 (revised)	258.5	77.4	50.2	127.6	386.1	209.0	−177.1	−49.5
1963 (revised)	260.7	111.5	54.9	166.4	427.1	214.6	−212.5	−46.1
1964 (revised)	304.2	203.0	64.1	267.1	571.3	210.7	−360.6	−93.5
1965	346.6	320.3	55.3	375.6	722.2	215.3	−506.9	−131.3
1966	356.5	53.9	53.8	107.7	464.2	231.0	−233.2	−125.5

Source: Cols. (1) and (2) are from Handy & Harman, annual reviews. Col. (4) is derived from the world totals published in the annual reports of the Director of the Mint and compiled by the Bureau of Mines, except for 1966 which is from Handy & Harman's 1966 Annual Review. Production for the following countries has been subtracted from the world totals: Czechoslovakia, East Germany, Hungary, Rumania, Poland, U.S.S.R., China, and North Korea (hearings on S. 1352. p. 72).

Because of the essential nature of many of the uses of silver, the Office of Emergency Planning has established stockpile goals for silver under the Critical and Strategic Materials Stock Piling Act. The objectives are 165 million ounces on the assumption of a conventional war, and 9,975,000 ounces on the basis of a nuclear war (hearings on S. 1352, pp. 35, 103, 105).

In the light of the greatly increased demands for silver, and the slowly increasing supply, it is not surprising that the price of silver has risen. From a depression low of about 25 cents an ounce (at which point the

silver in a silver dollar—0.77⅓ ounce—was worth about 19 cents), the price of silver has increased to $1.29+ an ounce, the monetary value of the silver in a dollar (i.e., the silver in a silver dollar is now worth 100 cents).

The price of silver has been substantially affected over these years by governmental policies. From 1934 through 1958, the Treasury bought 3 billion ounces of silver at an average price of 58.7 cents an ounce. The purchase price for newly mined domestic silver was 50 cents an ounce from 1934 to 1939; 71 cents from 1939 to 1946; and 90½ cents an ounce from 1946 to 1963.

Beginning in 1959 the Treasury silver stocks have served as a source of supply for industrial users. Nonmonetized silver was sold by the mint at 90.5 cents an ounce up to November 28, 1961, when the President directed that sales should be stopped. Silver was then available to the public from the mint only through the redemption of silver certificates for silver dollars.

By 1963 the demands for silver and the increasing prices of silver made it necessary to pass Public Law 88–36, repealing the Silver Purchase Acts. This law authorized the issuance of $1 Federal Reserve notes, replacing the old $1 silver certificates, and it authorized the Treasury to redeem silver certificates in bullion instead of in silver dollars.

The Coinage Act of 1965 (Public Law 89–81) removed all silver from the 10-cent and 25-cent pieces and reduced the silver content of the 50-cent piece to 40 percent. This greatly reduced the demand for silver for coinage—from 320.3 million ounces in 1965 to 53.9 million ounces in 1966.

Since that time, the mint has produced 7.8 billion of the new clad coins, and present production plans call for a total production of the new clad coins by June 30, 1968, or more than 12 billion pieces ($1.1 billion of 25-cent pieces, $700 million of 10-cent pieces; $250 million of 50-cent pieces—or approximately $2 billion in value (hearings on S. 1352, p. 94; hearings on S. 1008, p. 11)).

In spite of this tremendous output of the new clad coins, and in spite of the very substantial inventories of coins now in the hands of the mint and the Federal Reserve Banks,[1] it is not yet clear that the new clad coins have replaced the old subsidiary silver coins to such an extent as to make it possible to permit the price of silver to rise to a point where subsidiary silver coins, containing 90 percent silver and 10 percent copper, might be melted down.

At the present time the Treasury has on hand total stocks of silver of about 510 million ounces. Of this amount, almost 425 million ounces are required to be held as reserves against the 550 million of silver certificates outstanding, leaving only about 85 million ounces of free silver available for coinage or for sale to meet the needs of industry, thereby maintaining the current market price of $1.29+. Continuation of the present rate of coinage and sales of silver to industry would soon reduce the free silver to a point where it would no longer be possible to satisfy these demands.

Since, however, it is clear that a large proportion of the outstanding silver certificates will never be presented for redemption, and since it is undesirable to permit indefinite continuation of the holding of silver certificates for the purpose of redemption for silver, the Secretary of the Treasury on March 14, 1967, transmitted to the Congress a bill which was introduced as S. 1352 on March 21, 1967. Hearings were held on the bill on May 4, 1967. The committee considered the administration proposals and recommendations from the affected industries at an executive session on May 12, 1967, and voted to report the bill, with amendments.

[1] The coin report, week ending Apr. 28, 1967, follows:

COMBINED COIN INVENTORIES AT FEDERAL RESERVE BANKS AND MINTS

[Millions of pieces]

	As of Apr. 28, 1967	Corresponding week		
		1964	1965	1966
Halves	17.9	12.1	5.5	7.4
Quarters	1,798.9	44.1	41.1	352.0
Dimes	3,995.1	78.6	129.4	757.6
Nickels	1,127.9	20.5	182.5	1,147.7
Cents	574.4	78.6	784.5	792.0
Total	7,514.2	233.9	1,143.0	3,056.7

Source: Hearings on § 1008, p. 31.

EXHIBIT 2

AMERICAN MINING CONGRESS,
Washington, D.C., May 16, 1967.

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

DEAR SENATOR: Following an executive session on May 12, the Senate Banking and Currency Committee is expected to favorably report S. 1352, a measure which, if enacted, would permit the Secretary of the Treasury to declare a certain number of silver certificates to be lost or destroyed and thus free for immediate sale the silver backing these certificates. The measure would also provide that, one year from the date of enactment of the Act, silver certificates could no longer be redeemed for silver.

The Senate Banking Committee has adopted an amendment to S. 1352 which would require the Secretary of the Treasury, from and after the date of enactment of the Act, to hold not less than 165 million fine troy ounces of silver for transfer to the National Stockpile.

As stated in our letter to you of April 28, Congressional action is needed directing the Secretary of the Treasury to fulfill the stockpile objective in order to assure by law that Treasury silver bullion stocks will not be exhausted before this objective is met. We, therefore, urge your support of this amendment.

Were the Treasury permitted to sell all of its present silver bullion at the bargain price of $1.29+ per ounce, it would then be forced to fulfill the stockpile objective at a considerably higher cost. The American Mining Congress believes that the silver remaining in the Treasury's possession at this time is a national asset and should not be disposed of in its entirety at the monetary value.

Your interest in this important matter is deeply appreciated.

Sincerely,

J. ALLEN OVERTON, Jr.,
Executive Vice President.

EXHIBIT 3

THE UNDER SECRETARY OF THE TREASURY,
Washington, June 5, 1967.

Hon. JOHN J. SPARKMAN,
Chairman,
Banking and Currency Committee,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: It is understood that several amendments have been proposed to S. 1352, a bill, "To authorize adjustments in the amount of outstanding silver certificates, and for other purposes."

These amendments are:

1. An amendment to require the immediate transfer to the national stockpile of 165 million ounces of silver.

2. An amendment providing that silver certificates shall be redeemable in silver for 3 years from the date of enactment of the legislation.

3. An amendment which would limit to $200 million the amount of silver certificates which the Secretary of the Treasury may determine have been destroyed or irretrievably lost, or are held in collections, and will never be presented for redemption.

The Treasury Department is strongly opposed to each of these amendments.

Any requirement for an immediate transfer of silver to the stockpile would be totally inconsistent with the basic purpose of the legislation which is to free an additional amount of silver. Our present stocks of free silver are less than 50 million ounces. It is contemplated that enactment of the proposed legislation in the form reported by your Committee would free an additional 116 million ounces. The combination of this 116 million ounces and the free silver which we can reasonably expect to hold when S. 1352 is enacted into law will be less than 165 million ounces. Therefore, it would be impossible for us to comply with a Congressional mandate to transfer immediately 165 million ounces to the stockpile. We will, of course, be in a position to do so at the expiration of one year after enactment of S. 1352, for at that time the Treasury silver stocks now required by law to be held as backing for silver certificates will be free.

S. 1352, as amended by your Committee, would require that we keep on hand during the next year 165 million ounces of silver and that we transfer it to the stockpile at the end of one year. These provisions will assure that this quantity is on hand available for use for military or essential civilian needs in case of war.

The amendment which would extend to 3 years the period in which silver certificates may be redeemed in silver is also objectionable. Another of the basic purposes of the legislation is to free for other purposes the remaining stocks of silver backing silver certificates. At the same time it is recognized that this should not be done without first affording the holders of silver certificates an opportunity to redeem them in silver if they desire to do so. One year is an entirely adequate period of time to allow for this purpose. There would be no logic in, and no justification for, extending the one year period to three years. This is particularly true now since silver certificates are likely to be traded at a premium.

A limitation of $200 million of the amount of silver certificates which could be written off by the Secretary of the Treasury would serve no useful purpose, but would anticipate without basis the experience which the Treasury Department might expect to have on the rate of redemption of silver certificates.

We strongly recommend that the Senate reject these amendments.

Sincerely yours,

JOSEPH W. BARR.

EXHIBIT 4

FACT SHEET ON S. 1352 BY THE SILVER USERS ASSOCIATION, WASHINGTON, D.C.

S. 1352 authorizes adjustments in the amount of outstanding silver certificates, and for other purposes. As introduced, it would:

1. Authorize the Secretary of the Treasury to write-off silver certificates he determines will never be presented for redemption (lost, destroyed, in collections), thereby freeing for productive uses the silver now held against those certificates; and,

2. Require holders of silver certificates who wish to take advantage of the Government's commitment to convert them to silver, to do so within one year. Thereafter, these certificates would continue to be legal tender, but not convertible to silver.

The Committee added two amendments:

1. *The Bennett Amendment*, which would require the Treasury to hold for one year, and then to turn over to the stockpiles established under the Strategic and Critical Materials Stock Piling Act, 165 million ounces of silver—the amount of the reserve for de-

fense purposes established by the Office of Emergency Planning under that Act; and,

2. *The Sparkman Amendment,* which would repeal the prohibition against the use of mint marks on coins.

The proposed legislation is one more step in the clearly defined policy of the Government to demonetize silver by eliminating its use as a reserve against paper money and in coinage. This change has been made necessary by the increasing shortage of silver and increasing requirements for silver as a commodity.

Failure to enact this legislation would lock up most of the Treasury's silver in the sterile form of currency reserves and would also impair the Treasury's flexibility in handling the transition to new coins. The Treasury must sell silver in order to keep the U.S. market price below the point where old coins will be withdrawn from circulation because of the value of their silver content.

Treasury stocks of May 26, 1967, were as follows:

	Million ounces
Silver backing silver certificates	428
Silver not required as backing (free)	56
Total	484

There is ample precedent for this legislation. Public Law 87–66, enacted on June 30, 1961, authorized similar adjustments in accounts of certain outstanding old series currency including silver certificates issued prior to July 1929.

The proposed legislation would not abrogate a contract with the American public and all holders of silver certificates. If silver certificates are destroyed or lost, there is no contract. If holders of certificates do not wish silver in exchange for certificates, there is no breach of contract.

Holders of silver certificates should not be able to speculate on the price of silver merely by holding these certificates indefinitely as warehouse receipts. It was never contemplated that the silver in our monetary system would be worth more as a commodity than the face value of a silver certificate or a silver coin.

Silver released by this legislation becomes a windfall profit to the Treasury, and it should be sold at its monetary value of $1.29 per ounce for the benefit of the consuming public and not at a higher price for the benefit of a special interest group.

Recent Treasury action in restricting sales of silver to domestic users, though necessary, has caused uncertainty about our gold policy. Cessation of silver sales to domestic users at the traditional price of $1.29 would intensify this uncertainty.

The world silver markets are now controlled by speculative pressures which have driven up the London price from $1.30 to $1.65 in two weeks. Producers and speculators are the beneficiaries.

Enactment of S. 1352 is urgently required in order to reduce the chaos now prevailing.

Mr. BENNETT. Mr. President, I wish to express my support for S. 1352, which should have been enacted weeks ago. Because it was not enacted earlier, the Treasury has been required to take other measures which have triggered speculation and disrupted the silver market throughout the world. On May 18, at 3:30 p.m., the Treasury suspended its sales of silver to buyers other than legitimate domestic firms using silver in their business. The Treasury also used the authority granted in the Coinage Act of 1965 to prohibit melting, treating, and exporting of silver bearing coins.

In my view, it is unfortunate that the Treasury was forced to take this action. It was unfortunate, because it was unexpected, and in such instances there are always some who are hurt. It was unfortunate because it did not result in an orderly movement from the controlled price to a world market price. It was unfortunate, because I doubt that the Treasury wanted to invoke these restrictions. On May 4, Under Secretary Barr said that the Treasury had not invoked export controls because it would have triggered "speculation that we have been trying so assiduously to avoid." In an answer to a prepared question, the Treasury added that such controls have not been considered necessary and that they would not be necessary so long as the price of silver can be expected to be below the melting point of silver coins. It was expected that the legislation before us today would be enacted in time to provide sufficient silver to avoid the direct controls that are difficult at best to administer and burdensome both to buyers and sellers.

Unfortunately, this was not the case. At the first meeting of the Coinage Commission on May 18, we were shown figures of orders for silver received by Federal Reserve banks. These are very revealing. Let me preface these figures with the fact that silver withdrawal from the Treasury for purposes other than coinage has averaged just under 13 million ounces a month during the period from January 1966 until April of this year. Orders received by the Federal Reserve banks for Treasury silver during the days immediately preceding the Treasury order of the 18th were as follows:

	Ounces
May 1	200,000
May 2	610,000
May 3	647,000
May 4	4,000
May 5	1,942,000
May 8	1,969,000
May 9	3,411,000
May 10	2,723,000
May 11	3,598,000
May 12	5,767,000
May 15	504,000
May 16	4,064,000
May 17	5,088,000

On May 18, orders were received for 18 million ounces. Now let us see what the situation was that confronted the Treasury.

On the last day of April, free Treasury silver totaled 87,828,653.4 ounces. I do not know how many ounces had been ordered that did not show up on the daily statement since it takes a few days for orders to be completed. Even if there had been no orders on hand at that time, if those received up to and including May 18 are subtracted, we find that the Treasury would have had only 39.3 million ounces of free silver on that date, and at the rate of withdrawal during the first part of the month, that would not have been sufficient to maintain the price of silver even through the month of May. In fact, I suspect that the Treasury silver would not have even lasted another week. The Treasury would have been forced to stop selling silver and our silver coins would have disappeared. As was pointed out clearly in our recent hearings, the Treasury does not feel that it is ready for such possibility until the end of this year.

As has been pointed out by the chairman, the legislation has four major provisions, which are:

First. Authorize the Secretary of the Treasury to write off silver certificates which he determines will never be presented for redemption and thus free the silver now held against those certificates for other uses.

Second. Place a limit of 1 year on the period during which the Treasury will redeem silver certificates with silver. After that period, they will continue to be legal tender but not convertible to silver.

Third. Require the Treasury to maintain a stock of not less than 165 million ounces of silver for 1 year to be used if necessary for defense purposes. At the end of that period, the 165 million ounces would be turned over to the stockpiles established by the Strategic and Critical Materials Stock Piling Act.

Fourth. Repeal the prohibition against mint marks on our coins and allow the mint to reintroduce the mint marks on our coins.

I approve all four of these provisions.

The major purpose of this legislation is to provide the Treasury with enough silver to permit it to assure an adequate supply of coins to meet the needs of commerce during the remainder of the coin transition. The additional silver would make it possible for the Treasury to maintain the price of silver at a level which would discourage the immediate withdrawal of silver coins.

This is another necessary step in the coinage transition and the removal of the Treasury from the dominant role in silver price determination. This process began on June 4, 1963, when Public Law 88–36 provided for the issuance of $1 and $2 Federal Reserve notes. There was opposition to that enactment, but let me point out that it was necessary. Since the 1963 act, over $1.4 billion in Federal Reserve notes provided for in the act have been issued, and this would have required over 1 billion ounces in silver backing if it had been necessary to provide this currency increase needed in commerce with silver certificates.

Just 2 years ago, we embarked upon a program to produce a new type of coinage. It was determined that our new dimes and quarters would not contain silver and that the silver content in the half dollar would be reduced to 40 percent. That change was necessary because of the great demand for silver for industrial uses and coinage uses, and the resulting rapid outflow of silver from the Treasury stocks presented us with a real crisis. It became evident that it would only be 2 or 3 years until the Treasury would no longer be able to hold the price of silver at $1.29 plus per ounce. While this in itself might not result in too much concern, the fact was that our subsidiary coinage contained an amount of silver which would make its intrinsic value as metal equal to a monetary value of $1.38 an ounce. If the Treasury had continued to mint only silver coins, in the numbers minted in the last 2 years, it would have required over 1 billion ounces of silver and we would

have had no silver in the Treasury today, either "free" or that backing silver certificates, and all our coins would have been withdrawn from circulation. That we could not permit, and we were able to avoid it by the Coinage Act of 1965.

Since that time, the silver supply of the Treasury has continued to decline. The Treasury now has a balance of some 465 million ounces of silver in addition to that contained in the nearly 3 million silver dollars still held. There are, according to Treasury records, 550 million silver certificates outstanding which require about 425 million ounces of silver as a reserve. This leaves about 40 million ounces of "free" silver which can be used to maintain the price.

At rates of withdrawal just prior to the Treasury action of May 18, discontinuing sales to other than bona fide domestic users, we would have been completely out of free Treasury silver more than a week ago. Even with the restrictions on withdrawals, when sales already committed and the rates of new orders are considered, the 40 million ounces of silver remaining will only last for a very short period as users request silver to fill a 2-month inventory, and unless this legislation providing additional silver is enacted quickly, we will find ourselves in another crisis.

While the Treasury silver supply has been declining, the mint has been producing coins at an unprecedented rate in order to establish an inventory sufficient to meet foreseeable demands. In the past 2 years, nearly 8 billion coins have been produced, and present production schedules call for this to reach a total of 12 billion by the end of this year. In our recent hearings on this bill, the Treasury provided us with figures showing that there were about 7.5 billion coins on hand at Federal Reserve banks and mints. The coinage transition has developed very well thus far. Contrary to predictions, with which I did not agree when they were made, the new clad coins with far less intrinsic value than the silver-bearing coins have not driven the latter out of circulation. I should add, however, that the real test lies ahead. Under Secretary Barr testified before our Banking and Currency Committee that it may be that we now have enough coins in inventory to meet the need to replace silver coins in the event that the price is allowed to rise to a point at which they are removed from circulation for their metal content. He said that he could be certain that we would have enough, however, to meet any possible withdrawal that could be anticipated if we get through the forthcoming Christmas season demand.

I strongly feel that with the situation facing us today, the Treasury should be given the time which the Under Secretary testified is necessary to be sure that the coin inventory is sufficient to meet our needs. That would be made possible by the legislation before us today, which would allow the Secretary of the Treasury to determine and write off the number of silver certificates which in his judgment have been destroyed, lost, or held in collections or for some other reason would never be presented for redemption. Once this is done, the Treasury could reduce by an equivalent amount, the silver which is required by law as a reserve for such redemption. In other words, for every 1 dollar silver certificate which the Secretary determines will never be presented for redemption, .7734 of an ounce of silver would be freed for the Treasury to use as the Secretary may deem appropriate or dispose of at a price of not less than $1.29 an ounce.

The Under Secretary has said that the Treasury intends to write off 150 million certificates immediately. This would free 116 million ounces of silver for other use and bring to a total of 156 million ounces of free silver. The Under Secretary also testified that experience under this legislation would provide them with information on which to write off additional certificates if necessary, but he could see no rational basis for writing off more than an additional 100 million certificates. This would provide another 77 million ounces for a total of 233 million of free silver. This would leave 300 million outstanding silver certificates with a reserve of 230 million ounces of silver. The Under Secretary suggests that this silver would be available at the end of the year. During the year, however, some of the silver certificates will be brought in for redemption, and, in fact, it is my view that a large proportion of them may be brought in for redemption as the end of the year approaches beyond which they cannot be redeemed.

The Treasury has said that while no one knows the rate at which they will be presented, if we assume the present rate of 3 million ounces a month, it would require about 36 million ounces during the year.

To summarize, if 250 million certificates are written off leaving 300 million in certificates remaining together with the 230 million ounces of silver backing them and then another 36 million ounces are withdrawn for redemptions, that would leave approximately 194 million ounces of silver at the end of the year. I am of the strong opinion that these projected rates of redemption will prove unrealistically low. In other words, I am not at all convinced that without a specific requirement, there would be enough silver left at the end of 1 year to meet the stockpile objective set by the Office of Emergency Planning which requires 165 million ounces.

It was for this reason that I introduced an amendment to the bill which would require the Treasury to keep on hand at all times a minimum of 165 million ounces of silver and to transfer that amount to the national stockpile at the end of the year.

The amendment does not require the Treasury to transfer the 165 million ounces to a stockpile immediately when the bill goes into effect or to hold it in addition to any other legal requirements, because to do so, on the assumption that the Treasury will write off 150 million certificates upon enactment which is clearly their intent, would be impossible.

Let me explain why that is true. I have already shown that there is now only 40 million ounces of free silver in the Treasury. I may add that some of this is committed, but excluding any commitments, if we add the 40 million to 116 million ounces that would be freed by writing off 150 million silver certificates, we get a total of 156 million ounces of free silver. It is not difficult to see that one cannot set aside 165 million ounces if he has only 156 million at his disposal. Even if the Treasury were to write off 200 million certificates immediately, which they do not want to do until they have some experience under this legislation, the total free silver would amount to only 194 million ounces. If 165 million ounces were transferred immediately to a stockpile, that would leave only 29 million ounces of silver which the Treasury could use to maintain the price, and that is a worse situation than we are in at the present time. In other words, the whole purpose of this legislation would not only have been negated, but we would have 11 million fewer ounces of free silver than we have right now.

There is no doubt in my mind that 29 million ounces would not allow the Treasury the time needed to assure a reasonable tolerance of coin inventories necessary to meet the withdrawal that could occur when the price of silver is allowed to seek its own level in the marketplace.

I have disagreed with Treasury action in the past. I could not agree with past Treasury estimates for silver use, and time has proven my figures to be far more nearly correct, as the record shows. We must remember, however, that we are not talking about past mistakes or differences, and no useful purpose can come from such a discussion. We must face the problem that is now facing us regardless of what action has brought it about, and I, for one, am not in favor of measures which would make it difficult, if not impossible, for the Treasury to carry out its chief coinage responsibility.

The amendment which I introduced and which was accepted without a dissenting vote by the Banking and Currency Committee, would provide that at no time will the Treasury allow its silver supply to drop below 165 million ounces—the estimate of our defense needs established by the Office of Emergency Planning. I do not know anyone in this body who wants to jeopardize the security of this Nation through failure to assure the availability of silver that could be needed for defense purposes. This bill, as reported unanimously by the Senate Banking Committee, completely assures that such a supply will be available at all times. Not only was this method of providing for defense contingencies accepted by the Committee, but it also has the endorsement of the Treasury Department, the Silver Users Association, and the American Mining Congress. One could hardly ask for more than endorsement by all major groups concerned.

It has been suggested that this legislation is not in the best interest of silver producers. As the senior Senator from a State which has been second or third among the silver producing States of this Nation for the last 10 years, and one who has taken an active part in silver legislation during the nearly 17 years I have been representing the State of Utah, I do not feel that I need to yield to anyone in my efforts to assist the mining

industry in its desire to be properly compensated for its production.

I have been in constant consultation with representatives of the silver producing industry, and let me repeat that this bill is endorsed by the American Mining Congress. Producers know very well that this legislation will not bring about a price rise as swiftly as could some other legislative proposals, but the responsible producers realize that they must look to a long term solution that is both in their interests and the interest of the country as a whole. They are to be commended for this approach. I am firmly convinced that this bill will operate in that spirit.

Now let me just briefly comment on the silver certificate redemption provision in this bill. One year is a reasonable period for us to set on redemption of silver certificates. This does not unduly restrict redemption privileges. The committee members considered both lengthening and shortening the period. There is some merit in even shortening the period as far as the Treasury is concerned. These certificates were never intended as warehouse receipts. Since the Treasury is obviously going to have to get out of the silver market soon, and the price will then rise, I see no real advantage in prolonging the time. Anyone holding silver certificates who desires silver will have the facts on which to base his hold or redeem decision long before the end of a year. He can either hold silver for its intrinsic value or retain silver certificates for their face value as a medium of exchange, but he cannot after the end of a year hold silver certificates for their silver redemption value.

I do not feel that the mint mark provision of the bill needs additional comment.

While this legislation allows the Treasury flexibility and is a necessary step, it leaves unanswered many problems regarding silver, coinage, and the Treasury's participation in the silver market. It is unfortunate, in my view, that the Joint Commission on the Coinage, provided for 2 years ago, was not set up and activated at that time because helpful recommendations could have been forthcoming by this time, which might have helped us through this current problem. As it was, the first meeting of the Commission was held on May 18—the very day on which the Treasury Department had to institute its rather drastic controls over the marketing of silver.

At our first meeting, some of the remaining problems were discussed.

Among the many other matters that face the Commission, I feel that perhaps most important is the charge given in the 1965 act to study and make recommendations concerning "the time when and circumstances under which the United States should cease to maintain the price of silver." That time has already come, so far as a world price is concerned.

I am sure that we are rapidly approaching that time for the price of silver in this country. Everyone admits that the Treasury outflow is the only factor holding the price of silver at its present low level. The Wall Street Journal of May 18, 1967, reported that the Mexican Government has asked the United States to end its restriction on the world price of silver. That was done by the May 18 Treasury action. The ceiling price remaining within this country can be justified only if it is necessary to allow the Treasury to fulfill other responsibilities which outweigh the cost. Treasury silver represents an investment by the American people, and it should not be unnecessarily dissipated. I, therefore, feel that it is the responsibility of the Treasury to maintain a ceiling for domestic users only so long as is necessary for coin production, and at the earliest possible moment, plans should be put into effect which would conserve any remaining silver and bring about an orderly transition from the present controlled market to a market in which price will be determined by supply and demand.

In a major speech on the subject nearly 2 years ago, I suggested that the transition to a free market could occur in 1968. Many of the facts we have today were, of course, unknown then. The Under Secretary has suggested that so far as coinage requirements are concerned, this could begin at the first of next year.

In conclusion, let me state that I supported this legislation when it was before the committee. I support it now, because it is necessary; but, at the same time, I still urge the Treasury to take every possible step to remove itself from the silver market as soon as possible.

Thank you, Mr. President.

Mr. MOSS. Mr. President, I am glad that the bill before us now, S. 1352, reported by the Committee on Banking and Currency, requires that the Treasury Department has to hold for 1 year, and then turn over to the stockpiles established under the Strategic and Critical Materials Stock Piling Act, 165 million ounces of silver, before more silver is released.

The amendment which requires that this be done was offered in committee by my senior colleague from Utah [Mr. BENNETT], and I commend him for this action. It is absolutely essential that our silver stockpiles be preserved.

Some weeks ago I appeared before the committee to urge that action be taken, and today I support it strongly.

The bill, as introduced, provided that the silver freed by the provisions of the bill be sold to industry at $1.29 an ounce. But then, when the inevitable day arrives when the U.S. Treasury runs out of its silver reserve, and the price of silver goes up, the country will be left without sufficient silver to mint half dollars and meet our defense stockpile objectives. Then we would be forced to buy silver in the market at substantially higher prices than we are selling it for now. The difference, of course, would come out of the taxpayer's pocket. This I oppose, so I gladly support the Bennett amendment.

I prefer that the 165 million ounces be transferred immediately to the defense stockpile, rather than a year from now.

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

Mr. MOSS. I yield.

Mr. DOMINICK. I am going to give the Senator that chance. I am going to offer an amendment for that very purpose.

Mr. MOSS. I shall support such an amendment.

If it is a desirable objective to stockpile silver, I see no reason why it should not be reserved now rather than a year from now.

I also will gladly support the amendment which I understand the Senator from Colorado will offer which provides that the Treasury Department shall transfer not less than 165 million ounces of silver. We must make sure that at least this amount of silver is transferred.

I am convinced that as soon as the silver is put in the stockpile, the price of silver will jump to seek the market level.

I support the bill today with the proposed amendments.

Mr. DOMINICK. Mr. President, I take the floor to make some basic statements about the bill as a whole and also about the silver situation in particular. In order that my colleagues may know what I have in mind, I intend to call up my amendment No. 203 after my speech. I will then ask for a live quorum, and then the yeas and nays. Depending on the outcome of the vote on amendment No. 203, I may or may not offer amendment No. 204. I am hopeful that the committee will accept that amendment without having to carry it through to a rollcall vote.

Mr. President, as Senators well know, I have stated my concern over the present silver crisis on numerous occasions during the past 8 months. I have delivered three speeches on the floor of the Senate since February 8, and I appeared before the Senate Committee on Banking and Currency last month to again express my concern and alarm over the silver dilemma now confronting this Nation.

I have a deep conviction concerning this issue, and while undoubtedly the bill will pass the Senate, more or less as reported, I would like to once again point out a few of the critical problems which have caused some of us such great concern.

Three extremely significant things have happened since my last speech on the silver situation.

First, there has been a fantastic reduction in our free silver reserves. Consumers and speculators have been purchasing our Treasury reserves as a hedge against a sharp price increase, which was certainly predictable under our present silver policy. Our yearend free reserve of silver for 1966 was 154,960,777 ounces. By January 27 of this year, it had dropped to 135,153,027 ounces, by March 10 to 112,979,825 ounces, and by April 28 to approximately 89.8 million ounces. From April 28 through May 17, counting pending orders, the total had dropped to only 54.5 million ounces. Today it is estimated the Treasury has only between 40 and 45 million ounces of free silver.

This is a fantastic drop, and it has occurred because of the unwillingness of the Treasury to take steps to face up to the crisis which was apparent as long ago as early 1965.

Second, the Treasury on May 18, issued

a set of regulations which were necessary as a crisis measure, but which should have been issued 2 years earlier. The Treasury Department on that date issued regulations discontinuing sales of silver to any buyers other than legitimate domestic concerns which use silver in their business, and prohibiting the melting, treatment, and export of silver coins.

At this point I should like to cite a statement made by Under Secretary of Treasury Barr, testifying before the committee, which can be found on page 66 of the hearing, which dealt with this very subject. It occurred on May 4, 1967. Mr. Barr was asked what would happen if it appeared that the Treasury reserve would go below the 165 million ounces which admittedly we need for defense.

Mr. Barr said, on May 4:

I would say, sir, that if it looks as though we were going below 165 million ounces, we would use some of the extraordinary authority that is granted to us in the Coinage Act of 1965. We have the authority to prohibit melting, treating, or export of coins, and we would certainly consider using this authority, although we are reluctant, extremely reluctant to get in this area of controls unless it is absolutely necessary. If it appeared that we were going to fall below 165 million ounces as of the target date, we would certainly consider seriously using some of these extraordinary measures.

It is interesting that, after emphasizing his reluctance to issue regulations on May 4, the Treasury only 2 weeks later issued the regulations. As we have pointed out previously, we think the Treasury should have done it 2 years ago, in order to try to maintain some fluid balance in our Treasury reserve.

Finally, the President announced the appointment of the eight public members of the Joint Commission on the Coinage.

I will comment further on these three developments in the course of my remarks.

The most critical problem confronting us is that this Government may not have enough silver to meet its legal, moral, and defense obligations to the people. This Government clearly has at least three specific obligations which it must in good faith fulfill:

First. It must provide at least 165 million ounces of silver for the defense stockpile;

Second. It must make certain there is enough silver to redeem outstanding silver certificates during the period allowed for redemption;

Third. It must continue to provide silver for coinage.

On May 4, a month ago, Under Secretary Barr, in presenting testimony on this bill, stated that we had $555 million in silver certificates outstanding, backed by 430 million ounces of silver. The bill as written provides that the Secretary of the Treasury may from time to time, at his option, "write off" the amount of silver certificates which he feels in his judgment have been destroyed or unretrievably lost or held in collections. The Secretary of the Treasury has stated that he intends to immediately write off $150 million in certificates which is backed by approximately 116 million ounces of silver.

This will free the 116 million ounces of silver and as the bill is now written, it is safe to assume that all or most of this silver will be sold to domestic consumers at $1.29 per ounce. I might say parenthetically that if we add the 116 million ounces that will be free to the 40 million or 45 million ounces of free silver we have now, we will have not quite enough to establish the stockpile that we need at this point in history.

This would then leave approximately $400 million worth of silver certificates backed by only 314 million ounces of silver. However, under the bill, 165 million ounces of silver must be retained for the national defense stockpile, leaving only 149 million ounces of monetized silver which could in fact be used for redeeming silver certificates. This would standing silver certificates are redeemed mean that if only one-half of the outduring the year allowed for redemption under the bill, the Treasury simply will not have adequate silver to honor the redemption. Presumably, the Treasury would have to refuse to redeem certificates contrary to law, or buy silver on the open market at a premium price.

However, it does not stop there. Should the Secretary of the Treasury decide arbitrarily to write off additional certificates, he may do so at his own discretion.

The fallacy here is, of course, that the Secretary of the Treasury is only guessing at the number of certificates lost or destroyed and there is no definitive measure for assessing the number of certificates that will be redeemed once a deadline for redemption is established.

The third obligation—coinage—has been totally ignored by this bill and by the Treasury. In the first quarter of this year, 14,368,000 ounces of silver was used in coinage. If the present rate of usage were to continue, by the end of the year the Treasury would have consumed over 57 million ounces for coinage—only slightly more than consumed for that purpose last year. The Treasury has an obligation under existing law to produce half dollars with 40 percent silver—but where is the silver to come from? The fact is that our last prestige coin may well be on its way to elimination, and we might as well be prepared to face that fact right now. Predictably, the Treasury will let the current silver crisis worsen, and then make its case for the total elimination of all silver from all coins.

The Treasury feels confident that there will be few redemptions of certificates during the year. As I have said, this is based totally on an assumption. In my judgment they are wrong. But right or wrong, the Treasury is embarking on a dangerous gamble.

With all due respect, this administration has an amazingly accurate record of being totally wrong in forecasting developments in silver and coinage. In 1963, the Treasury told us that if we would pass H.R. 5389, and I was sitting on the committee during that period, we would be assured of an adequate supply of silver for coinage for at least 10 to 15 years. They only missed their guess by 8 to 13 years. The silver crisis averted by the 1963 act had come back to haunt us by 1965. The administration then promised that, if we passed the Coinage Act of 1965, we would have an adequate supply of silver to get through the transition period from silver to clad coins. President Johnson stated in his message relative to coinage—

We believe our present stocks of silver to be adequate once the large present drains from coinage are greatly reduced, to meet any foreseeable requirements for an indefinite period.

So the Coinage Act of 1965 was passed and our coins were debased, with assurances that the silver crisis of 1965 was the crisis to end all crises.

To make a long story short we are now face to face with our usual and predictable biannual June silver crisis. The administration is, as usual, optimistic and full of promise. Under Secretary Barr speaking for the administration states at page 63 of the hearings:

I think that the specter that Senator Dominick is raising that we will end up without enough silver to transfer to the stockpile, is, in my candid opinion, sir, unrealistic. In my best judgment we will end up with something between 230 and 270 million ounces of silver.

This statement was, of course, made prior to the Bennett amendment, but I would submit that with or without the Bennett amendment, the amount of silver left in our reserves will very likely be considerably less than this year's biannual "guess" made by the administration, if in fact we have any silver left at all, which I doubt.

The present silver crisis has unfortunately been precipitated by a series of omissions by the administration. These omissions have resulted from what I consider, in a charitable mood, an incredible amount of bad judgment. After stumbling from silver crisis to silver crisis, the administration was given an opportunity with the passage of the Coinage Act of 1965 to extricate itself from its embarrassing position. Unfortunately, the administration failed to take advantage of the opportunity given it by the act.

First, the President failed to appoint the eight public members of the Commission though he was given this authority in the Coinage Act of 1965 signed into law in July 1965. This, in my judgment, was the most crucial of the series of omissions committed by the administration. Had the Commission been promptly appointed, the legislation now before us may well have been completely unnecessary. The Commission could have at once commenced a study of our coinage supply, the time when and under what circumstances the United States should cease to maintain the price of silver and other appropriate matters. Instead, our silver policy has been allowed to drift along into another crisis.

The President's failure to appoint the Commission represents, I might add, a broken pledge, because in his 1965 message on coinage, the President stated:

The Commission will be appointed soon after the new coinage is issued.

The appointments were not made until May of 1967.

Second, the Treasury was given the authority in the 1965 act to promulgate

the regulations they finally issued May 18, 1967. The earlier promulgation of these regulations would have eliminated the fear of the melting of our silver coinage 2 years ago, and, might I say, have at least minimized our present crisis.

Third, the administration has done little to encourage new silver production in the United States, though this is admittedly tied in with the controlled price.

I would submit that the fourth serious omission has been the failure to maintain the peak production of our clad coins during the transition period, if we assume for the moment, as the Treasury does, that we are still in the transition period. Congress was told that until the transition period was complete, the mints would operate on a crash basis of 24 hours a day, 7 days a week. But last November, 7 months ago, the Mint eliminated the crash program and went from a 7-day week to a 5-day week. Under Secretary Barr stated when testifying on this bill that on June 30 the Mint will further reduce its production from a 5-day, three-shift basis to a 5-day, two-shift basis. Yet, it is the shortage of these coins which the Treasury is using as an excuse for pointing out that we need this legislation and cannot afford at the present time to allow the price of silver to go up.

Despite this, the Treasury now says that we must still protect our silver coinage with this legislation because they are not certain whether we have enough clad coins. To cut production of clad coins on the one hand and to ask for legislation on the other hand to protect our silver coinage is patently inconsistent and borders on the ridiculous.

In fact, whether the legislation is necessary is predicated on the fact that we need to further protect our silver coinage. I would emphasize that the fact that the mint has reduced production can only be considered as evidence of an adequate coin supply or, at least, some evidence of an inconsistency in viewpoint.

I submitted other evidence in my earlier speeches which lead me to the conclusion that we have an adequate clad coin supply. Under Secretary Barr gave some very interesting testimony on this point at the hearings. I read from page 61:

Senator BENNETT. The way I read these figures—and I may be wrong—is that the coin crisis has largely been met and that your crash production of 7.8 billion of coins has very largely gone into inventory?

Mr. BARR. That is correct, sir. That is correct.

Senator BENNETT. How long has it been since you started to circulate these new coins? When did you start circulating them?

Mr. BARR. In November 1965, Senator Bennett.

Senator BENNETT. So we have gone 17 months and no crisis has developed which has effectively pulled on your manufacturing since that time?

Mr. BARR. That is correct, sir. And because we realize this fact, as Miss Adams has testified, we shifted from a 7-day week to a 5-day week, and starting on June 30, Senator Bennett, we will shift from a 3-shift to a 2-shift operation in the production of our coins.

Senator BENNETT. The thing I am getting at is that, according to your estimate, you have got to go 7 months more before you think you are safely through the crisis, so maybe your figure represents an unwarranted concern.

Mr. BARR. That might be correct, Senator Bennett, and I will only admit that I am being supercautious and superconservative. However, I will submit, sir, that I had the traumatic experience of living through the holiday season of 1965 when we simply did not know whether there were going to be enough quarters to keep the commerce of the United States flowing.

I point out here that the holiday season of 1965 was before we started putting the new clad coins into any kind of real production. We now have them in production and have an inventory. Yet, we are trying to say that we need still further production in order to justify the position of the Treasury.

Despite the way in which we have blundered into our present dilemma, I finally see some reason for optimism on the part of our silver producers. The Government will unquestionably soon be out of the silver business and presumably silver will be allowed to seek its own level in the marketplace. Unfortunately, this will have resulted out of necessity rather than through an affirmative, well reasoned silver policy.

In my judgment the bill still has at least three serious deficiencies.

First, the amendment of the Senator from Utah [Mr. BENNETT], which is certainly far better than anything submitted by the Treasury, is still inadequate. The Bennett amendment provides for the setting aside of 165 million ounces at the end of the year.

If we are going to do it at the end of the year, we might as well do it now. If we have retained 165 million ounces, regardless of whether the certificates are open for redemption alone, we have in effect set them aside and might as well go through with it.

Second, the limitation on the number of silver certificates that can be written off is entirely at the discretion of the Secretary of the Treasury.

I do not feel that we should give the Secretary of the Treasury such unlimited power, without review by Congress or anybody else, involving $555 million in silver certificates still outstanding in the hands of the public. To give any man in any agency or party the right to say: "We are not going to live up to our obligations on this," is the wrong method, as far as I am concerned, by which to go forward in an orderly governmental process.

The third thing that I think is wrong with this is the short term that is provided for redemption. The period of redemption should be extended from 1 to 3 years. If we do that, we will not have the intense desire of people who hold silver certificates to bring them in for redemption.

We will have a real rush on the redemption of silver certificates the minute this bill is passed. If we have a little longer time, we can space this out to a considerable degree.

Mr. President, I do not know whether any other Senator is going to speak on the pending bill. However, I suggest the absence of a quorum, and shall then offer an amendment.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll and the following Senators answered to their names:

[No. 124 Leg.]

Allott	Dominick	Miller
Anderson	Griffin	Montoya
Baker	Hatfield	Murphy
Bartlett	Hickenlooper	Muskie
Bayh	Hollings	Pastore
Bennett	Hruska	Prouty
Bible	Javits	Scott
Boggs	Jordan, Idaho	Sparkman
Byrd, Va.	Mansfield	Symington
Byrd, W. Va.	McCarthy	Williams, N.J.
Clark	McGee	Williams, Del.
Cotton	Metcalf	Young, N. Dak.

Mr. LONG of Louisiana. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Michigan [Mr. HART], the Senator from Indiana [Mr. HARTKE], the Senator from Washington [Mr. JACKSON], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Ohio [Mr. YOUNG], and the Senator from Nevada [Mr. CANNON] are absent on official business.

I also announce that the Senator from Idaho [Mr. CHURCH], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Minnesota [Mr. MONDALE], the Senator from Wisconsin [Mr. NELSON], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Georgia [Mr. TALMADGE], the Senator from Maryland [Mr. BREWSTER], and the Senator from New York [Mr. KENNEDY] are necessarily absent.

I further announce that the Senator from Hawaii [Mr. INOUYE], and the Senator from North Carolina [Mr. JORDAN] are absent because of illness.

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from South Dakota [Mr. MUNDT], and the Senator from Illinois [Mr. PERCY] are necessarily absent.

The Senator from Wyoming [Mr. HANSEN] is absent on official business.

The PRESIDING OFFICER (Mr. HOLLINGS in the chair). A quorum is not present.

Mr. BYRD of West Virginia. 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 West Virginia.

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:

Brooke	Hayden	Pell
Burdick	Hill	Proxmire
Carlson	Holland	Randolph
Case	Kennedy, Mass.	Russell
Cooper	Kuchel	Smathers
Curtis	Lausche	Smith
Dirksen	Long, La.	Spong
Dodd	McClellan	Stennis
Eastland	McIntyre	Thurmond
Fannin	Monroney	Tower
Fong	Morse	Tydings
Fulbright	Morton	Yarborough
Gruening	Moss	
Harris	Pearson	

The PRESIDING OFFICER. A quorum is present.

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 joint resolution (S.J. Res. 58) to provide for the reappointment of Jerome C. Hunsaker as Citizen Regent of the Board of Regents of the Smithsonian Institution.

The message also announced that the House had passed a bill (H.R. 3973) to amend the Healing Arts Practice Act, District of Columbia, 1928, and the Act of June 6, 1892, relating to the licensing of dentists in the District of Columbia, to exempt from the licensing requirements of such acts physicians and dentists while performing services in the employ of the District of Columbia, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 3973) to amend the Healing Arts Practice Act, District of Columbia, 1928, and the act of June 6, 1892, relating to the licensing of dentists in the District of Columbia, to exempt from the licensing requirements of such acts physicians and dentists while performing services in the employ of the District of Columbia, was read twice by its title and referred to the Committee on the District of Columbia.

ADJUSTMENTS IN OUTSTANDING SILVER CERTIFICATES

The Senate resumed the consideration of the bill (S. 1352) to authorize adjustments in the amount of outstanding silver certificates, and for other purposes.

AMENDMENT NO. 203

Mr. DOMINICK. Mr. President, I call up my amendment No. 203 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The legislative clerk proceeded to read the amendment.

Mr. DOMINICK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and the amendment will be printed in the RECORD at this point.

The amendment offered by Mr. DOMINICK is as follows:

On page 2, beginning with line 17, strike out all through line 2, on page 3, and insert in lieu thereof the following:

"SEC. 4. The Secretary of the Treasury shall transfer not less than one hundred and sixty-five million fine troy ounces of silver from the Department of the Treasury's silver holdings to the stockpiles established pursuant to the Strategic and Critical Materials Stock Piling Act."

Mr. DOMINICK. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

VISIT TO THE SENATE BY A GROUP OF PARLIAMENTARIANS FROM THE DOMINICAN REPUBLIC

Mr. LAUSCHE. Mr. President, we have the honor and great pleasure today to have visiting us a group of parliamentarians from the Dominican Republic. They are with us now in the Chamber. They took office about a year and a half ago in the Dominican Republic. They are representatives of our sister State in the Western Hemisphere.

It is my great privilege at this time to present this group of parliamentarians, as well as the Ambassador from the Dominican Republic, to Senators now in attendance here.

I ask this distinguished group of parliamentarians to rise and step forward.

[Applause, Senators rising.]

RECESS

Mr. BYRD of West Virginia. Mr. President, I move that the Senate stand in recess for 5 minutes, in order that Senators may greet our friends from the Dominican Republic.

The motion was agreed to; and (at 2 o'clock and 23 minutes p.m.) the Senate took a recess until 2 o'clock and 28 minutes p.m.

At 2 o'clock and 28 minutes p.m., on the expiration of the recess, the Senate reconvened, when called to order by the Presiding Officer (Mr. HOLLINGS in the chair).

ADJUSTMENTS IN OUTSTANDING SILVER CERTIFICATES

The Senate resumed the consideration of the bill (S. 1352) to authorize adjustments in the amount of outstanding silver certificates, and for other purposes.

Mr. DOMINICK. Mr. President, for the benefit of Senators now in the Chamber, let me say that I shall not take very long to speak on the amendment, because it is a relatively simple one. I shall take perhaps 5 to 10 minutes to explain it. Perhaps other Senators may wish to talk on it, including members of the committee. I shall be as brief as I can.

Mr. President, although I congratulate the Senator from Utah [Mr. BENNETT] on the amendment which he included in the bill, it seems to me that it does not go far enough.

Some time ago, when we had a previous discussion on the need for doing something about silver, the distinguished majority leader and myself, together with the Senator from Nevada [Mr. BIBLE], and my colleague [Mr. ALLOTT] discussed at that point the need to set aside a stockpile reserve of silver for defense purposes.

At that very moment, while we were discussing it on the floor, the Treasury Department sent a letter to the distinguished majority leader in which it indicated it would hold aside for defense purposes, the necessary amount of 165 million ounces, which is a 3-year stockpile of silver.

This was subject to ifs, ands, and buts and, as a result, they said it was simply a policy and not any kind of real commitment.

In October of last year, former Governor Bryant, head of the Office of Emergency Planning, sent a letter to the Treasury Department saying, "Your free silver reserves are getting very low. We would like to have some indication from you that you are in fact going to keep 165 million ounces of silver for defense purposes." Again, another if, and, and but letter, complete with assurances.

We have only 40 million to 45 million ounces of free silver available for any kind of use at the present minute. We do not have nearly enough in terms of free silver to be able to supply the needs of this country for defense purposes at a time when we are already engaged in one war in Southeast Asia and are faced with this cataclysmic eruption in the Middle East besides.

Let me say to all Senators that it is a mistake when we have an opportunity to do something about it, not to grasp that opportunity in our hands, as nettlesome as it may be.

The present proposal of the committee, as proposed by the Senator from Utah [Mr. BENNETT], is that we keep in the Treasury stock 165 million ounces, and set it aside next year. What for? Why hold it in the Treasury when we need it right now for defense stockpile purposes? Why hold it 1 year and then say we will go forward and add it to the stockpile?

What will happen if the Treasury finds itself faced with a situation where it is going to have to use the silver for redemption of silver certificates or violate this law? That is what the law says and the Treasury will be in a position where it will have to break one or the other commitment. If there is a drain from the silver certificates, which most of us anticipate, the result will be that we may find ourselves in a position where we do not have enough silver to set up the stockpile reserve at the end of the year or go out on the open market and buy silver to redeem certificates. I do not want to place myself in that position.

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

Mr. DOMINICK. I yield.

Mr. PASTORE. I understand the position of the Senator from Colorado, who comes from a mining State, but I come from a consuming and user State, where thousands of people are engaged in industry which has need for this silver. I am suggesting that our defense needs should come first, but, on the other hand, if the Senator is wrong in his assumption, we run the risk that we may deprive thousands of people of the opportunity for employment.

We must keep in mind that the silver will be transferred a year from today. One of the pressures involved is that it must be held to $1.29 an ounce. If it is transferred a year from now, is that not a requirement to transfer it at $1.29?

Mr. DOMINICK. In reply to the distinguished Senator, there are several comments I wish to make. First, with respect to the statement that the Senator comes from a user State, and not from a producing State, as I come from—incidentally, our State is fourth in line in production—the question is whether we are going to have enough silver available for defense. This is more important that the State from which we come.

Mr. PASTORE. I realize that.

Will the Senator yield?

Mr. DOMINICK. It is more important to have it for defense of the country than to determine whether we are going to

have a certain amount of increase in the price.

Mr. PASTORE. Will the Senator yield?

Mr. DOMINICK. I will yield as soon as I am through. If we find ourselves engaged in an all-out struggle in the Middle East, which I hope we will not—that is, I hope we will find some method of preserving peace—we may find ourselves in a position where we will need the silver immediately, and not a year from today.

Now I yield to the Senator from Rhode Island.

Mr. PASTORE. No one disagrees with the Senator. All of us know that the administration is also interested in that question. All I am saying is that if the Senator from Colorado is wrong in his assumption, and it means many people are thrown out of jobs, then we have done nothing to insure the defense needs of our country, and at the same time we will have put a lot of people out of employment. We have a duty to think about them.

Mr. DOMINICK. If I am wrong, we would simply be carrying out what the committee has said we should have done for some time. If I am wrong, we would be carrying out a plan which it has urged for years. If I am wrong, we will not have done any harm; we would merely have withdrawn silver which the taxpayers have paid for and set it aside for defense needs of the country, and not require the Treasury to buy silver at much higher prices, at the expense of the taxpayer, and still find ourselves short of silver.

Mr. PASTORE. Will the Senator yield?

Mr. DOMINICK. I am glad to yield. I am always happy to engage in colloquies with the Senator from Rhode Island.

Mr. PASTORE. Was not that argument made before the committee?

Mr. DOMINICK. Yes.

Mr. PASTORE. Is it not true that the committee reported the bill unanimously?

Mr. DOMINICK. Absolutely.

Mr. PASTORE. Is it not possible the Senator from Colorado could be wrong?

Mr. DOMINICK. Absolutely. There is also a chance that the Senator from Rhode Island is wrong.

Mr. PASTORE. Yes, but I had the unanimous action of the committee behind me, and I am not a member of the committee.

Mr. DOMINICK. All I can say is that the Treasury was wrong in 1963. It was again wrong in 1965. I do not feel that the Treasury Department was right in recognizing that we have a defense need, but leaving it up in the air and not dealing with the problem in a positive way in order to safeguard the best interests of our country. This is the reason why I brought this issue before the Senate. All I say is, if we can do it a year from now, why not do it now? If we are in a period of crisis, there is nothing wrong with acting now. If we set aside this amount, we have taken care of our primary need, which is the defense of the country.

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

Mr. DOMINICK. I yield.

Mr. BIBLE. First, I want to commend the Senator for a position which I think is a sound one. I would suggest the Treasury has been wrong on every single estimate it has given us, if I am not mistaken.

Mr. DOMINICK. The Senator is correct.

Mr. BIBLE. It seems to me at the time we argued this problem in 1961, 1963, and 1965, the Treasury said we had sufficient silver stocks to run for something like 10 or 12 years. Is that correct?

Mr. DOMINICK. That is correct.

Mr. BIBLE. Was that a correct prediction of things to come?

Mr. DOMINICK. The Treasury was incorrect from 8 to 13 years, depending on which position one takes.

Mr. BIBLE. I am willing to give the Department the benefit of the doubt by saying it said we had enough for 10 years. I know the Treasury officials said that, somewhere along the way.

Mr. DOMINICK. Yes.

Mr. BIBLE. We now have from 45 million to 50 million ounces of free silver and less than 500 million ounces back of the silver certificates. Is that correct?

Mr. DOMINICK. Yes.

Mr. BIBLE. That drains down at what rate per month?

Mr. DOMINICK. It is draining at such an increased extent that it is hard to forecast accurately, but at the beginning of the year, in terms of free silver, we had 155 million ounces, and we have lost 100 million ounces of silver since then.

Mr. BIBLE. In the last 5 months we have lost 100 million ounces of silver?

Mr. DOMINICK. Of free silver.

Mr. BIBLE. Of free silver. Where did that go?

Mr. DOMINICK. It went to the users; it went to the very people the Senator from Rhode Island was talking about.

I have no objection to that, but I object to having them get it from the Treasury when they could buy it on the open market, while we could be setting it aside as a defense stockpile.

Mr. BIBLE. Is it not correct that in May of this year the Treasury Department put into effect export regulations which were provided for in an amendment that we lost here on the floor in 1965.

Mr. DOMINICK. It was the Senator from Nevada who offered that amendment. Now, on May 28, the Treasury put those provisions in effect by regulation.

Mr. BIBLE. I think the Treasury followed by regulation many of the provisions we offered to place in the statute, but unsuccessfully. Had that amendment been passed, we would have at least protected some of the exportation of silver overseas.

Mr. DOMINICK. That is correct.

Mr. BIBLE. Many million ounces have been exported overseas. I am happy to see some of the free silver go to Rhode Island and Connecticut to keep employment up there, but I cannot envision the catastrophe which the very distinguished Senator from Rhode Island envisions. I do not think this is going to wipe out the silver users and fabricators, even if the price goes up a bit? Would it?

Mr. DOMINICK. I do not see how it could. The price of silver on the London market was at approximately $1.55 last week. If our domestic price goes up, we shall probably still not have a price high enough to increase production substantially, but it will be more in keeping with the world market and international trade.

I would assume that silver users could buy silver like anybody else, instead of having the taxpayers pay for their silver.

Mr. BIBLE. I agree with that observation. It seems to me that the era of bargain prices of silver may well be over, and they may have to go to the free market for their raw product, just as others must depend on the free market for raw materials.

I associate myself with the remarks of the Senator from Colorado. I support his amendment. I think it is a good amendment. I thought it was a good amendment 2 years ago, and, if anything, I think it is even a better amendment now, because it has been graphically illustrated that what we were predicting 2 years ago has been accelerated even beyond our expectations, and, if anything, the situation is more critical now than it was then.

Mr. DOMINICK. I thank the Senator from Nevada for his support.

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

Mr. DOMINICK. I yield to the Senator from Ohio.

Mr. LAUSCHE. If this silver is released, is it to be released over a gradual period of time, or does the authority lie with those in control to dispose of it when their discretion dictates?

Mr. DOMINICK. We have several different types of situations. The so-called free silver, which is the amount of silver not needed to back silver certificates, can be sold by the Treasury to anybody at any time they feel like it. Therefore, it can go out the window very rapidly.

Now they are placing a limit on the time during which silver certificates may be redeemed. They are saying that since some of them will not be redeemed, there is available additional silver which can be sold at $1.29, to prevent coins from being melted down. But now they have passed regulations prohibiting that, in any event, so there is no danger; at least violation is subject to a criminal penalty. But we still have no reserve. That is the problem.

Mr. LAUSCHE. How much do we have in the defense reserve?

Mr. DOMINICK. We do not have any at the present time.

Mr. LAUSCHE. How much has been calculated to be needed?

Mr. DOMINICK. One hundred and sixty-five million ounces.

Mr. LAUSCHE. Is it the argument of the Senator from Colorado that unless we impound, at this time, silver to meet our defense needs, we may at a later date have to begin buying it at a price far in excess of what we pay for it now?

Mr. DOMINICK. That is exactly correct. I thank the Senator from Ohio for putting it so succinctly and clearly.

I might add, at that point, that there is some question as to whether or not we could even find the silver on the market

to buy at such time, because consumption is far greater than production.

Mr. LAUSCHE. Let us assume that we do not earmark silver for defense purposes at this time, and the defense need later becomes acute. The Government then would have to go out and buy it.

Mr. DOMINICK. That is the present situation. That is correct. That is what I am trying to cure.

Mr. LAUSCHE. Let us assume that we impound it now, and it becomes available but is not needed for defense purposes. What, if any, prejudice will the Government suffer?

Mr. DOMINICK. The Government would suffer no prejudice at all, because we could then declare it surplus to our defense needs, and it would be issued on the market.

Mr. LAUSCHE. Am I correct in my understanding that the Senator from Colorado takes the position that the danger of loss to the Government is greater through failure to impound than it would be through impounding?

Mr. DOMINICK. That is absolutely correct. In addition, I feel——

Mr. LAUSCHE. Is there a scarcity of silver today?

Mr. DOMINICK. Yes, very definitely.

Mr. LAUSCHE. Is that why the release of silver has been urged?

Mr. DOMINICK. Silver consumption is many times production at the present time. A part of the reason for such condition is the releases out of the Treasury into the open market, which prevent the price from going up. The silver being released is from the stockpile we have acquired over a period of time under the Silver Purchase Act. They keep releasing it on the open market, on the ostensible ground that it is to prevent coins from being melted down for their silver content.

We do not have any coins with silver content now except the 50-cent pieces, under the 1965 Coinage Act; and under the prohibitions just adopted on May 15, they have eliminated that argument, because now it is a felony to melt down or do anything with coins.

Therefore, it seems to me that the justification given for such action has long since passed, and we are now in a position to take 165 million ounces of silver and set it aside for emergency needs, as the Office of Emergency Planning has stated that we should.

Mr. LAUSCHE. If we release silver periodically for the purpose of keeping the price of silver down, and in the end we release all of our silver, will there not arise a situation where the cost, because of the scarcity of silver, will fall heavily upon the U.S. Government, and therefore upon the taxpayers?

Mr. DOMINICK. That is absolutely correct, to whatever extent the Government finds itself under the need to buy new silver in the market. It would then be at a very highly increased price to the taxpayers and to the country. That is another reason why I think the 165 million ounces should be set aside right now, to avoid that risk.

Mr. LAUSCHE. Now, to put the opposite side of the question, is it advisable, at present, to release the silver so as to keep the price stable? If it is not advisable, why is it not?

Mr. DOMINICK. The purpose of the bill is to try to have an orderly release of Government interference in the silver market. The bill, in general, along that line, envisages, as I see it, two or three things. First, it envisages cutting off the ability to redeem silver certificates with silver. Those certificates are already outstanding, in the hands of people all over this country, and have been since 1920. Such action, therefore, would permit more silver to be released into the market at a later date.

But no matter what we do here, within a year and a half the Treasury will have no silver, and at that point, no matter what we do, the silver price will go up. So we are talking in terms of a matter of timing, more than anything else. My purpose in this amendment is to make sure that we set aside and hold for defense the amount of silver we have obtained at relatively low cost, when we need that stockpile for defense, and when we do not know whether, at the end of a year, we will have enough silver available to set it aside.

Mr. LAUSCHE. I thank the Senator.

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

Mr. DOMINICK. I yield.

Mr. ALLOTT. First of all, Mr. President, I congratulate my colleague upon the statement he has made, and also upon the introduction of this amendment. He has been farsighted in this area.

The amendment which he has offered today is not a sudden inspiration as the result of the consideration of this bill on the floor, because he has advocated exactly this step for several years, and he foresaw what almost everybody eventually acknowledged was coming.

I do not think we can emphasize too greatly the fact that unless we set aside, in this very critical time, some silver for our national defense and our national needs, we may be in grave danger.

If the silver had not, in effect, been controlled by the Treasury Department—will the Senator not agree with me—the price of silver would have risen a long time before now?

Mr. DOMINICK. The Senator is correct.

Mr. ALLOTT. And if the price of silver had risen a long time before now, we would not have such a shameful and crying need for silver at this time.

Mr. DOMINICK. That statement is also correct.

Mr. ALLOTT. In the past few years the members of the Committee on Interior and Insular Affairs have met with representatives of nearly every department of the Government, including the Treasury Department and the Bureau of the Budget. We have been able to arouse no interest in the production of 2 commodities so important to our monetary system—gold and silver. I will not go into the gold question.

I recall that 2 years ago the present Secretary of the Treasury testified that we were in no danger whatever of having Gresham's law operate after the introduction of phony coinage. I call it phony because that is what it is.

The present Secretary of the Treasury also testified this spring that instead of approximately $4 billion in seigniorage by way of the silver that came back in the coins, the seigniorage to the Government would amount to $2 billion.

It merely illustrates again how wrong the Treasury Department can be and has been in dealing with our valuable metals in this country because people keep the silver coins.

While we still pick one up occasionally—I picked one up yesterday and have it in my pocket—the bogus and phony coinage that we now have is driving the silver out of the market.

It seems to me that, while they anticipate a great rush of redemptions on the silver certificates, I would not be surprised in the least if Gresham's law were to come into operation in a secondary sense and people would not rush to redeem them but rather would continue to retain them as they have in the past.

It is impossible to get the silver certificates today. I think that people who have them will keep them as collector's items.

We would, therefore, get an effect opposite to that which was expected.

Getting down to the basics of this matter, it seems to me that the approach my colleague has taken—and in which he has taken the leadership again and again ever since he has been in the Senate—is the only sound one.

I am not unsympathetic with my friend, the senior Senator from Rhode Island [Mr. PASTORE]. I know his people have to eat. However, the fact is that if the silver fabricators do have to pay a little more for their silver, the people who buy sterling in the marketplace—knives, forks, spoons, and so forth—are simply going to have to pay a higher price for it.

If I felt that we would completely debilitate the industry, I would feel differently about this matter.

I do not think there is any question that unless we do have a set-aside here, within a year or a year and a half—and this will depend a lot upon our national situation—the United States will have to go into the open market and pay a much higher price for silver.

I think the Senator has really performed a great service to the Senate and to the country. I believe that it would be a most unfortunate thing if we were not to take advantage of this opportunity to agree to the amendment of my colleague.

Mr. DOMINICK. Mr. President, I very much appreciate the support of the Senator. I know that the Senator has been helpful all the way through.

I think it is of interest, and I do want to repeat this, that if as many as one-half of the outstanding silver certificates should be submitted for redemption, we would not have enough silver on hand at the end of the year to be able to set aside 165 million ounces of silver. That is why we should do it now and then see what happens to the redemption problem.

I yield to the Senator from Iowa.

Mr. MILLER. Mr. President, I ask the Senator from Colorado where the 165

million troy ounces would come from. I understand there are only 50 million ounces of free silver available to the Treasury. Where would the balance come from?

Mr. DOMINICK. The balance would come from the amount of silver that we would free up by declaring that a certain number of certificates have been lost or mutilated or would never be submitted for redemption.

Mr. MILLER. What would that action do as far as the price is concerned?

Mr. DOMINICK. That amount would be freed up and under my amendment, if it is agreed to, it would be immediately set aside as a reserve for stockpile purposes. Also, the silver would be needed for the redemption of certificates.

This is the crux of the point I am trying to make. The problem is that we do not have enough silver.

Mr. MILLER. I understand that some people have a problem on price and that within the last couple of weeks the price has gone up about 35 cents an ounce in the world market.

Mr. DOMINICK. The Senator is correct.

Mr. MILLER. This is of concern to some of the silver users in my State.

Mr. DOMINICK. It will go up more than that because we do not have enough silver under production to establish and take care of the demand for it.

The only way in which it has been held down at the moment is by the distribution of silver which the taxpayers have paid for and which the Treasury Department has been shooting out into the market as though it were from the private silver users' mine. I do not know how long they have been doing this, but they have been doing it for at least 4 years to my personal knowledge.

Mr. MILLER. If the price is going to go up, will it not go up even more if we take the silver that is freed and put it in a stockpile, isolated from the market, rather than let the silver be available for market needs.

Mr. DOMINICK. It probably will tighten down the screws on the price situation some because it will take 165 million ounces out of the total we presently have and provide that it would be used for defense.

This is what the Office of Emergency Planning has said we need. This is exactly what everybody has indicated we need. In the interest of keeping the price down for the silver users, I am not disposed—and I know the Senator from Iowa is not disposed—to say that we will not take care of the defense needs of this country.

To enlarge on the statement a little, by the middle of next year it will not make any difference what we do here. The price is bound to go up.

Mr. MILLER. Can the Senator tell us how many troy ounces of silver are now in stockpile?

Mr. DOMINICK. There is none in the stockpile. That is the problem. There is no stockpile of silver for defense purposes at the present time.

Mr. MILLER. How long has that been the case?

Mr. DOMINICK. That has been the case to my personal knowledge since 1964. I do not know how long that was true prior to that time.

It was at that time that we started talking about this. I brought the matter up with the distinguished majority leader. The Office of Emergency Planning established an objective of 165 million ounces in 1965.

Mr. MILLER. Do I correctly understand that the pending bill, without any amendment, does provide for some transfer to the stockpile?

Mr. DOMINICK. The pending bill does not provide for any transfer until the end of the year.

It exercises a restriction on the Treasury and provides that they have to hold in the Treasury 165 million ounces.

So, it does the same thing. However, it does not transfer it to Defense until the end of the year. That is the amendment of the Senator from Utah [Mr. BENNETT].

Mr. MILLER. If we got along without any silver in reserve in 1965, another 4 or 5 months will not make any critical difference.

Mr. DOMINICK. That may be the opinion of the Senator from Iowa. I do not feel that is true in view of the needs for Defense and in view of the fact that we are faced with an explosive situation in the Near East and already have the situation in Vietnam.

I would say that it is not 4 or 5 months we are talking about. We are talking about 12 months.

Mr. MILLER. The Senator, when he says "the end of the year," means the end of the fiscal year?

Mr. DOMINICK. The end of the year after the bill is passed. So it is 12 months after the bill is passed.

Mr. MILLER. Mr. President, I do not express an opinion. I was asking a question. However, it would seem to me that if there had been a critical need for stockpiling some of the silver, Congress would have been called upon long before now, especially with the war in Vietnam, to do something about it. I am wondering why, at this particular time, there has suddenly become such a need on the part of some of these agencies that the Senator from Colorado believes that this is a critical time to do it.

Mr. DOMINICK. This is nothing new. The figure was established in 1965 as the objective that we should have. The Treasury Department has failed to provide the necessary silver for the objective established by the Office of Emergency Planning.

Mr. MILLER. Is there any reason why the Defense Department or one of the Federal Government agencies could not go out and buy and say that this amount is mined to satisfy the stockpile requirements?

Mr. DOMINICK. The Defense Department could certainly go out on the open market and pay more for the silver. But this silver has already been paid for by the taxpayers. So long as we have the stockpile on hand, it seems very peculiar to me to say that the Defense Department, in order to get the silver they need, should have to buy it on the open market.

Mr. MILLER. It seems to me that perhaps we are getting into a balancing of the equities between the producers and the users. If the users need silver in order to meet defense commitments, they will get that silver somehow, and the Defense Department will have to pay an increased price for what it buys; and that means the taxpayers will have to pay for it indirectly, anyway.

Mr. DOMINICK. I did not understand that. The users are not buying it for defense purposes. They are buying it to make some ornaments and some photographic equipment. Most of the big users have large supplies. We are talking about silver for Polaris submarine batteries, for complicated electronic equipment used by the Defense Department.

Mr. MILLER. That is also my understanding. But where have these people been getting silver for the defense need during the last 3 years?

Mr. DOMINICK. Out of the Treasury silver. The Defense Department has said, "This is what we need," and it is transferred to them at that price.

Mr. MILLER. It has not come from a stockpile?

Mr. DOMINICK. It has come from the Treasury.

Within a year, we may be out of silver and not have enough to do this. This is why I want to set it aside now.

Mr. MILLER. I thank the Senator.

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

Mr. DOMINICK. I yield.

Mr. LAUSCHE. I direct the Senator's attention to section 4 of the bill.

Mr. DOMINICK. That is the Bennett amendment.

Mr. LAUSCHE. The purpose of my inquiry is to ascertain whether or not the bill makes mandatory the retention, in one form or another, of 165 million fine troy ounces of silver.

Mr. DOMINICK. It is my hope that it does.

Mr. LAUSCHE. I now read section 4:

> From and after the date of enactment of this Act, and until transferred to the stockpiles established pursuant to the Strategic and Critical Materials Stock Piling Act in accordance with this Act, the Secretary of the Treasury shall hold as a reserve for purposes of the common defense not less than one hundred and sixty-five million fine troy ounces of silver.

I construe that to mean that he shall hold at least 165 million fine troy ounces of silver for defense purposes. Does the Senator agree with my interpretation?

Mr. DOMINICK. I believe the Senator is correct. The Secretary of the Treasury is holding it on the monetized side. He is holding it in the Treasury and not as a defense stockpile. If the Senator will read the next sentence, he will see that the Secretary is directed to transfer it to the Stockpiling Act at the end of the year.

Mr. LAUSCHE. Yes. For 1 year he is required to hold it in the Treasury, earmarked for defense purposes.

I now read the second sentence:

> Upon the expiration of one year after the date of enactment of this Act, the Secretary of the Treasury shall transfer not less than one hundred and sixty-five million fine troy ounces of silver to the stockpiles established pursuant to the Strategic and Critical Materials Stock Piling Act.

Does not that again say that at the end of the year, the 165 million ounces of silver that are in the Treasury Department shall be transferred to the stockpile?

Mr. DOMINICK. Yes. But the point I wish to make to the Senator from Ohio is that this provision says that the Secretary shall hold 165 million ounces free of anything, and presumably to be transferred at the end of the year.

The difficulty with that provision is that if we have 50 percent of the outstanding silver certificates offered for redemption for silver, the Treasury will then be placed in a position, in that year, of saying, "We are either going to have to violate this law, which says for us to hold it, or we are going to have to break our promise with those people to whom we promised to pay silver for the silver certificate."

This is why I want to set it aside now and get it out of the way.

Mr. LAUSCHE. I understand the position of the Senator from Colorado. While this language does indicate that 165 million ounces shall be earmarked, the Senator from Colorado is afraid that 165 million ounces of silver will not be available for earmarking.

Mr. DOMINICK. The Senator is correct.

Mr. PASTORE. Mr. President, of course, the silver argument is an old chestnut. This is not the first time we have talked about silver in this Chamber. The idea that some people are interested in their States and not in the national welfare is another specious argument. The underlying argument is price—whether we are going to gouge the consumers of America and take it out of the brides of America when they go to buy silverware, so that some people can collect more than $1.29 an ounce. That is all it amounts to.

As the Senator from Ohio [Mr. LAUSCHE] has pointed out, the 165 million ounces are frozen; but they are frozen in the Treasury Department. At this price, they want to take it out of the Treasury Department and put it in the stockpile. Alternatively, because of the paucity of silver, the demand will then become much greater than the supply. Already, the demand for silver is much more than the supply of silver. We all know that.

If it is necessary to forfeit the silver for the national defense, I am all for that. But the idea that today we must dramatize the need of silver for defense in order to jockey up the price does not fit right with the Senator from Rhode Island. That has been the underlying argument of this amendment. If the proponents of the amendment are allowed to talk long enough, they will reveal their real purpose. The only question is, "How soon will we break the ceiling of $1.29." If we break it immediately, we will break the market. If we wait for a year, we will give industry a chance to acclimate itself to a change in price. That is all this amounts to.

Mr. President, this is an anticonsumer amendment. The minute this amendment shall be adopted, it will mean that the cost of silver will be greater; that the price will be higher to people who have to buy silver. They are the people who work in the factories of the country which produce silver. Either they will lose their jobs, or the consumers will have to pay more money for silver. That is all the amendment amounts to. I simply say that when the time comes that the Department of Defense must appear before Congress and say, "We need all the silver for defense," I shall be willing to see the factories in Rhode Island shut down. I shall be willing to see the brides of America buy stainless steel. But if that is not the case, and the only reason for the amendment is to jockey up the price, then I say the amendment is ill timed.

This subject has been considered by the whole committee. The committee is representative of the whole country. The committee has submitted a unanimous report. But we are being told this afternoon that unless we adopt this amendment, the defense of the Nation will be jeopardized. I disagree most emphatically.

The amendment seeks to break the ceiling of $1.29 and raise the price of silver. We know who will pay for that: the brides of America; and this afternoon I am for the brides of America. I shall vote against the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado [Mr. DOMINICK]. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Michigan [Mr. HART], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Washington [Mr. JACKSON], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Ohio [Mr. YOUNG], and the Senator from Tennessee [Mr. GORE] are absent on official business.

I also announce that the Senator from Hawaii [Mr. INOUYE] and the Senator from North Carolina [Mr. JORDAN] are absent because of illness.

I further announce that the Senator from Indiana [Mr. BAYH], the Senator from Maryland [Mr. BREWSTER], the Senator from Idaho [Mr. CHURCH], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from New York [Mr. KENNEDY], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Minnesota [Mr. MONDALE], the Senator from Wisconsin [Mr. NELSON], the Senator from Connecticut [Mr. RIBICOFF], and the Senator from Georgia [Mr. TALMADGE] are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE], the Senator from Michigan [Mr. HART], the Senator from North Carolina [Mr. JORDAN], the Senator from Wisconsin [Mr. NELSON], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Georgia [Mr. TALMADGE], and the Senator from Ohio [Mr. YOUNG] would each vote "nay."

On this vote, the Senator from Maryland [Mr. BREWSTER] is paired with the Senator from Nevada [Mr. CANNON]. If present and voting, the Senator from Maryland would vote "nay," and the Senator from Nevada would vote "yea."

On this vote, the Senator from Indiana [Mr. BAYH] is paired with the Senator from Idaho [Mr. CHURCH]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Idaho would vote "yea."

On this vote, the Senator from Indiana [Mr. HARTKE] is paired with the Senator from Arizona [Mr. HAYDEN]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Arizona would vote "yea."

On this vote, the Senator from Washington [Mr. JACKSON] is paired with the Senator from New York [Mr. KENNEDY]. If present and voting the Senator from Washington would vote "yea," and the Senator from New York would vote "nay."

On this vote, the Senator from Missouri [Mr. LONG] is paired with the Senator from Washington [Mr. MAGNUSON]. If present and voting, the Senator from Missouri would vote "nay," and the Senator from Washington would vote "yea."

On this vote, the Senator from South Dakota [Mr. MCGOVERN] is paired with the Senator from Minnesota [Mr. MONDALE]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from Minnesota would vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from New Jersey [Mr. CASE], and the Senator from Illinois [Mr. PERCY] are necessarily absent.

The Senator from Wyoming [Mr. HANSEN] and the Senator from South Dakota [Mr. MUNDT] are absent on official business.

The Senator from Kentucky [Mr. COOPER] and the Senator from Texas [Mr. TOWER] are detained on official business.

On this vote, the Senator from Wyoming [Mr. HANSEN] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Wyoming would vote "yea" and the Senator from Texas would vote "nay."

The result was announced—yeas 26, nays 45, as follows:

[No. 125 Leg.]

YEAS—26

Allott	Dominick	Metcalf
Baker	Fannin	Montoya
Bartlett	Gruening	Morse
Bible	Hatfield	Morton
Burdick	Hruska	Moss
Carlson	Jordan, Idaho	Murphy
Curtis	Kuchel	Pearson
Dirksen	Mansfield	Young, N. Dak.
Dodd	McGee	

NAYS—45

Anderson	Holland	Proxmire
Bennett	Hollings	Randolph
Boggs	Javits	Russell
Brooke	Kennedy, Mass.	Scott
Byrd, Va.	Lausche	Smathers
Byrd, W. Va.	Long, La.	Smith
Clark	McCarthy	Sparkman
Cotton	McClellan	Spong
Eastland	McIntyre	Stennis
Fong	Miller	Symington
Fulbright	Monroney	Thurmond
Griffin	Muskie	Tydings
Harris	Pastore	Williams, N.J.
Hickenlooper	Pell	Williams, Del.
Hill	Prouty	Yarborough

NOT VOTING—29

Aiken	Hansen	McGovern
Bayh	Hart	Mondale
Brewster	Hartke	Mundt
Cannon	Hayden	Nelson
Case	Inouye	Percy
Church	Jackson	Ribicoff
Cooper	Jordan, N.C.	Talmadge
Ellender	Kennedy, N.Y.	Tower
Ervin	Long, Mo.	Young, Ohio
Gore	Magnuson	

So Mr. DOMINICK's amendment (No. 203) was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 204

Mr. DOMINICK. Mr. President, I call up my amendment No. 204 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT LEGISLATIVE CLERK. On page 1, line 4, after "certificates" insert "(not exceeding $200,000,000 in aggregate face value)".

Mr. DOMINICK. Mr. President, I am going to be very brief. I have already discussed the amendment with the chairman of the committee. For the benefit of Senators, I point out that what the amendment would do would set a limitation on the discretion of the Secretary as to the amount of silver certificates which he can determine will or will not be redeemed, or turned in for redemption. It does not try to say how much. It merely sets a limitation on the discretion. I understand that the distinguished chairman is willing to accept the amendment.

Mr. SPARKMAN. Mr. President, I have discussed this with the Senator from Colorado. I told him—and this is in agreement also with the Senator from Utah [Mr. BENNETT]—that I would be willing to accept the amendment provided he did not insist on the other amendment which he has pending. That is the understanding, is it not?

Mr. DOMINICK. That is the understanding.

Mr. SPARKMAN. Mr. President, on that basis, I am willing to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 204 of the Senator from Colorado.

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, I ask for third reading of the bill.

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 and third reading of the bill.

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

ORDER OF BUSINESS

Mr. DIRKSEN. Mr. President, before the final vote is taken, I should like to ask the majority leader about the schedule for the remainder of the day, and also on tomorrow.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. 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.

ORDER FOR ADJOURNMENT UNTIL 11 O'CLOCK A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 11 o'clock a.m. tomorrow.

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

COMMITTEE MEETINGS DURING SENATE SESSION TOMORROW

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

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

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I ask the distinguished majority leader as to the schedule for the rest of today and on tomorrow.

Mr. MANSFIELD. Mr. President, when we get through with the pending legislation, it is the intention of the leadership to call up Calendar No. 216, Senate Joint Resolution 33, establishing a National Commission on Product Safety. Then, immediately following that tomorrow, it is the intention of the leadership to proceed to the consideration of Calendar No. 281, H.R. 2508, an act to require the establishment, on the basis of the 18th and subsequent decennial censuses, of congressional districts composed of contiguous and compact territory for the election of Representatives, and for other purposes.

Following the disposition of that measure, the leadership intends to call up the railway labor legislation, which may be reported out of committee tomorrow. As of now, that is the anticipated order of the legislative program. There are several other bills of a minor nature which also may be called up at appropriate times this week.

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

Mr. MANSFIELD. I yield.

Mr. SPARKMAN. I do not believe the Senator mentioned Calendar No. 224, dealing with the U.S. Information Act.

Mr. MANSFIELD. No.

ADJUSTMENTS IN OUTSTANDING SILVER CERTIFICATES

The Senate resumed the consideration of the bill (S. 1352) to authorize adjustments in the amount of outstanding silver certificates, and for other purposes.

The PRESIDING OFFICER. The question is on passage of the bill.

Mr. BIBLE. Mr. President, before proceeding to a vote—and I shall not ask for a rollcall on it—I have a few remarks to make. I am informed the junior Senator from Colorado [Mr. DOMINICK] does not intend to ask for a yea-and-nay vote.

Mr. President, I am sure that most Members of this body know my position with respect to this Nation's silver policies.

Ever since the repeal of the Silver Purchase Act, I have from time to time made remarks on the floor, warning that the Treasury would soon be out of silver and that the policies as requested from the Treasury Department and adopted by the Congress were responsible for this situation.

Today we are requested to give the Secretary of the Treasury authority to free silver now backing our silver certificates after 1 year from the date of enactment of S. 1352. This request is on the assumption that many of our outstanding silver certificates are lost and that this action will permit the Secretary to add additional silver to our free stocks.

The bill also provides that 165 million troy ounces of silver shall be turned over to the Office of Emergency Planning for a reserve for defense purposes. The Treasury Department expects that those silver certificates now lost or destroyed will enable the Secretary to recoup at least this amount of silver or more.

Members of the Senate will recall that at the time of the passage of the Coinage Act in 1965 I submitted an amendment at that time to preserve silver for our defense. We were told that there were ample silver stocks and that the Treasury would recognize this need, and my amendment was defeated. We were also told that we needed the Coinage Act to preserve ample stocks of silver for our coinage.

At that time, we had nearly 1 billion ounces of silver in the Treasury.

I opposed the Coinage Act as I was of the belief that the Treasury Department should adopt measures which would protect our Nation's supply of silver and that we could still have a coin with intrinsic value. We would, of course, have had to stop exporting silver to foreign nations and we would have found it necessary to stop making the Treasury stocks of silver a source of supply for the users.

I introduced an amendment, which was joined by other Senators here today, that would have put on export controls at that time. This amendment was also defeated.

Now, from 1 billion ounces of silver, in just 2 years, we find ourselves as of May 26 with only 55 million ounces of free silver and slightly less than 500 million ounces of silver still backing our silver certificates.

We have just about made the full circle, and with passage of this bill, we shall have erased silver as a factor in our monetary policies.

This is being done after 175 years of honoring this precious metal and giving our citizens coins and silver certificates backed by intrinsic value.

Some in this body do not feel that we need gold or silver to back our money. I happen to believe otherwise and I

note that most nations of the world are doing everything they can to secure as much gold and silver as they can possibly acquire.

Perhaps there is some magic way that we can convince our foreign friends that our paper and copper-nickel alloyed coins are just as valuable as gold and silver, but I seriously doubt it.

Late in May of this year, the Treasury Department was experiencing such a drain on its silver stocks that it was necessary for the Department to adopt several measures by regulation which I and others had attempted in 1965 to secure by statute. The Treasury placed export controls in effect. It limited the sale of silver to domestic users and then only by the end-use certificate method which sharply curtailed users from speculating in silver and now permits them to only purchase the equivalent of the amount of silver used in the preceding 2 months of their respective operation.

I welcomed this action by the Treasury; however, the action was at least 2 years too late to forestall a world silver crisis.

The London silver market immediately made sharp gains. Other nations starting selling their supplies of silver at increased prices over what our own Government sells for at $1.29-plus per troy ounce. We now have a two-priced market in silver. The U.S. Treasury has the same price of $1.29 while the rest of the world is operating in a free market.

I approve of a free market theory, and this bill gives the Secretary of the Treasury authority to advance the price of silver beyond $1.29 plus. As I read the language, it states the Secretary of the Treasury can dispose of silver stocks at not less than the monetary value of $1.29 plus per ounce.

It is my position that the taxpayers of this Nation should not be penalized. The Secretary, in other words, should not sell silver at $1.29-plus per troy ounce when the London market price is around $1.55 per ounce, with futures even higher.

With the world situation as it is today, it is my opinion that even further efforts must be made to protect our defense needs. I recognize the Treasury's attempt to set aside in the neighborhood of 165 million ounces of silver. I do not think it was nailed down as tightly as it would have been under the amendment of the Senator from Colorado [Mr. DOMINICK]. I am not sure that even the figure of 165 million ounces is realistic.

The Treasury Department in its May order also adopted controls making it a penalty to melt silver coins. This was also the subject of an amendment which I offered 2 years ago.

This action will admittedly be difficult for the Treasury Department to police. Nevertheless, it will stop individuals from blatantly advertising for coins to melt, as they were doing with the World War II nickels just 2 years ago. It will, in my opinion, be a deterrent.

We all know that when the price of silver exceeds $1.39 per ounce our dimes, quarters, and half dollars of silver content can then be melted at a profit.

I do not believe that it is necessary for the Secretary of the Treasury to advance the silver price to that extreme; but I do feel that there is no good argument for selling our free stocks of silver at bargain basement prices.

We should preserve as much silver as necessary to continue the minting of the clad silver half dollars even though it only contains 40 percent silver fineness.

With the world situation as it is today, it is my opinion that a second look at our defense needs is in order. In World War II, we used approximately 950 million ounces of silver for defense, and some of the governmental agencies perhaps still have stocks on hand; nevertheless, we should take a second look to see if 165 million ounces is sufficient to meet our war needs.

If we do not follow this course, we will wind up buying back our $1.29 silver, which we have sold all comers at a higher price, which in the end will cost the good old taxpayer.

I submit that no business in the United States would sell its raw products at a price when, within a short time, it would have to rebuy this same material at prices from 25 to 50 percent higher.

At this point, I submit for the RECORD, and ask unanimous consent to have printed, an article from the June 2 Wall Street Journal which sets out in detail the dual market price of silver as now exists.

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

MEXICO ALLOWS SILVER SALES AT LONDON RATE, ACCELERATING TREND TO A DUAL-PRICE MARKET

MEXICO CITY.—The Bank of Mexico, the nation's central bank, began authorizing sales of silver to foreign customers at prices based on quotes in London, rather than those of the cheaper New York market.

The major significance of the move, according to industry officials, was to add further impetus to the establishment of a two-price world silver situation. The movement began after the U.S. Treasury banned exports of its stocks on May 18. Until then, Mexico and all other countries had been held to a price of $1.29 an ounce since September 1965, when the U.S. effectively set a world level by unlimited sales at that price.

However, prices began to rise outside the U.S. immediately after the Treasury's mid-May action. U.S. businesses still obtain Government stocks at $1.29 an ounce, but the metal is in extremely short supply and has risen recently to around $1.55 an ounce in London.

In a parallel development yesterday, Handy & Harman of Canada Ltd., the Canadian subsidiary of the leading New York fabricator and supplier of silver and other metals, raised its quote for silver to Canadian customers by 4.9 cents an ounce, to $1.589.

Mexican industry officials said the country's new pricing system will substantially boost the nation's income, noting that each cent-an-ounce rise in the silver price results in an increase of about $400,000 in Mexico's intake. However, they noted that the country's output of the metal hasn't been rising very swiftly in recent years and that it may be overtaken as the Free World's largest supplier by the U.S. this year.

Since 1962, Mexico's production has grown only to 43 million ounces last year from 41.2 million ounces. The U.S. has boosted production in the same period to 42 million ounces from 36.3 million. Discovery of the famous Comstock Lode in Nevada in 1858 enabled the U.S. to top the world in silver output until about 1900. Mexico has held the lead in most succeeding years.

Mexico last year shipped about one third of its output into the U.S., but it's expected that practically all of its exports will now be drawn to the higher prices outside the U.S.

Added income to Mexico from the higher silver prices will help offset declining profit from the country's exports of lead and zinc, both of which have fallen in price since early 1966. It's estimated that a decline of 2 cents a pound in world lead prices has cost Mexico about $7.5 million and a cent-a-pound drop in the zinc price about $3.7 million, officials say.

The two-price system for silver is analogous to a similar situation which developed for copper a year ago after the U.S. acted to protect its dwindling supplies by banning all exports. U.S. producers were forced by the Government to a price below 40 cents a pound, but foreign suppliers began basing their charges on the London market level and received upwards of 85 cents a pound at times.

Mr. BIBLE. Mr. President, though I am not asking for a rollcall vote on final passage, I want the RECORD to show that I am not supporting the bill. I cannot support any measure which debases and cheapens our money, which in my opinion this bill will do.

Mr. ALLOTT. Mr. President, first of all, let me say that I am in general accord with the very perceptive remarks made by the distinguished Senator from Nevada [Mr. BIBLE]. On many pieces of legislation, we find ourselves on the horns of a dilemma, in that we find some provisions that are somewhat advisable, and we find other provisions that we simply cannot swallow.

Personally, I am taking the same position on this bill that I took on the bill that authorized the "phony" coinage in 1965. I said then I could never vote "yea" on a bill which debased our coinage; and I cannot vote for this bill for the same reason. Section 2 of the bill shuts down the redemption of silver certificates after a year, so that people will not be able to procure coinage or silver for those certificates, despite the fact that the certificates clearly state that they are redeemable.

At the same time, another interesting comment appears in the report. On page 4, in the last paragraph, except for the tabulation that appears, the committee said this:

> Since, however, it is clear that a large proportion of the outstanding silver certificates will never be presented for redemption, and since it is undesirable to permit indefinite continuation of the holding of silver certificates for the purpose of redemption for silver, the Secretary of the Treasury on March 14, 1967, transmitted to the Congress a bill which was introduced as S. 1352 on March 21, 1967.

As I understand it, this bill was voted out unanimously by the committee. If this is so, then it is the unanimous opinion of the committee that the Treasury Department is, in effect, working a shenanigan on the American people. After a year, those who hold certificates will not be permitted to redeem them. So the certificates will contain money that is the equivalent of any other certificate the Government issues, which are getting to be worth less and less every day.

Since this, in effect, abrogates the promises of the Government, and since it is fruitless to try to convert a $1 silver certificate into coinage, I think it abro-

gates the promise of the Government, and I would therefore never vote for it, even, Mr. President, if it meant my defeat for election to this august body.

The bill, with the Bennett amendment, does go somewhat along the way of trying to meet some of our problems. But, as the distinguished Senator from Nevada pointed out, this problem has been with us a long time, and I have not seen one concrete step taken by the Treasury Department nor by the administration to meet the decreasing supply of silver which we knew was coming.

When we consider the grave situation that this country faces today, if we should, God forbid, become involved in a war on another front, or the support of a war on another front, we would indeed be hard put to find silver to meet our defense needs. That is why the Dominick amendment was such a great and valuable asset and addition to this bill. I am sorry that the majority of the Senate did not see it that way. Of course, every Senator votes in accordance with how he sees the situation.

But, considering the defeat of the Dominick amendment, together with these other factors, of the total amount in the hands of the Treasury of approximately 470 million ounces, 425 million would be required to be held against the reserve for the $550 million silver certificates outstanding, and there would remain only about 45 million ounces of free silver available for coinage or to meet the needs of industry. It seems very peculiar to me, Mr. President, at this late time, when the country is in such a grave situation, that it has taken our Treasury Department all of these years to turn around and at least partially, in a meager, pauperish way, face the problem of the silver shortage, which every financial journal, every business magazine, and every metals journal in the country has been talking about for the past several years.

While the language in the bill is somewhat garbled, if I may say so, I presume that after a year has elapsed, what is left will end up in the strategic and critical materials stockpile. I cannot, in all conscience, vote for the bill, and I want the RECORD to show, in the event there is not a rollcall, that I certainly oppose the bill and would vote against it.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (S. 1352) was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United Sates of America in Congress assembled, That the Secretary of the Treasury is authorized to determine from time to time the amount of silver certificates (not exceeding $200,000,000 in aggregate face value), issued after June 30, 1929, which in his judgment have been destroyed or irretrievably lost, or are held in collections, and will never be presented for redemption. In the case of each determination he shall credit the appropriate receipt account with an equivalent amount, and shall reduce accordingly the amount of silver certificates outstanding on the books of the Treasury.

SEC. 2. Silver certificates shall be exchangeable for silver bullion for one year following the enactment of this Act. Thereafter they shall no longer be redeemable in silver but shall be redeemable from any moneys in the general fund of the Treasury not otherwise appropriated.

SEC. 3. Effective upon the expiration of one year after the date of enactment of this Act, section 2 of the Act of June 4, 1963, as amended (31 U.S.C. 405a–1), is amended to read as follows:

"SEC. 2. The Secretary of the Treasury is authorized to use for coinage, or to sell on such terms and conditions as he may deem appropriate, any silver of the United States (other than silver transferred to the stockpiles established pursuant to the Strategic and Critical Materials Stock Piling Act) at a price not less than the monetary value of $1.292929292 per fine troy ounce."

SEC. 4. From and after the date of enactment of this Act, and until transferred to the stockpiles established pursuant to the Strategic and Critical Materials Stock Piling Act in accordance with this Act, the Secretary of the Treasury shall hold as a reserve for purposes of the common defense not less than one hundred and sixty-five million fine troy ounces of silver. Upon the expiration of one year after the date of enactment of this Act, the Secretary of the Treasury shall transfer not less than one hundred and sixty-five million fine troy ounces of silver to the stockpiles established pursuant to the Strategic and Critical Materials Stock Piling Act. For the purposes of that Act, the silver shall be deemed to have been transferred pursuant to that Act.

SEC. 5. The last sentence of section 3517 of the Revised Statutes (31 U.S.C. 324) is repealed.

Mr. MANSFIELD. Mr. President, the distinguished Senator from Alabama [Mr. SPARKMAN] handled this measure with the outstanding competence that has characterized his many achievements over the years. In this instance the measure concerned silver certificates, a vitally important legislative proposal. Joined by the able senior Senator from Utah [Mr. BENNETT], their combined presentation to the Senate was thoughtful and articulate. The overwhelming success of the measure may be attributed directly to their high abilities.

In disposing of this measure so efficiently, the Senate is indebted to the junior Senator from Colorado [Mr. DOMINICK], who, while urging his own strong and sincere views on the matter, in no way inhibited prompt and orderly action. Other Senators are also to be commended for joining the debate. The senior Senator from Colorado [Mr. ALLOTT], the senior Senator from Nevada [Mr. BIBLE], and the Senator from Iowa [Mr. MILLER] offered their views which are always valued highly by the Senate. Noteworthy, too, was the eloquent statement of the senior Senator from Rhode Island [Mr. PASTORE], who again demonstrated his broad knowledge of the issues involved.

Finally, the Senate may be proud of another accomplishment obtained swiftly and with full recognition for the views of all Members.

EXECUTIVE SESSION

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of executive business, for action on a nomination favorably reported earlier today by the Committee on Banking and Currency.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama? Without objection, it is so ordered.

FEDERAL HOME LOAN BANK BOARD

The legislative clerk read the nomination of John E. Horne, of Alabama, to be a member of the Federal Home Loan Bank Board for the term expiring June 30, 1971.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

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

LEGISLATIVE SESSION

On request of Mr. SPARKMAN, and by unanimous consent, the Senate resumed the consideration of legislative business.

NATIONAL COMMISSION ON PRODUCT SAFETY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 216, Senate Joint Resolution 33, a joint resolution to establish a National Commission on Product Safety. I do this so that the joint resolution will become the pending business.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The LEGISLATIVE CLERK. A joint resolution (S.J. Res. 33) to establish a National Commission on Product Safety.

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

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Commerce with amendments on page 3, line 12, after the word "identity", to insert "of categories"; in line 13, after the word "which", to strike out "are determined to" and insert "may"; in line 22, after the word "against", to insert "categories of"; and, on page 4, line 15, after the word "study.", to insert "The Commission shall publish notice of any proposed hearing in the Federal Register and shall afford a reasonable opportunity for interested persons to present relevant testimony and data."; so as to make the joint resolution read:

S.J. RES. 33

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there is hereby established a National Commission on Product Safety (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of seven members appointed by the President from among persons who are specially qualified to serve on such Commission by virtue of their education, training, or experience.

(c) Any vacancy in the Commission shall not affect its powers.

(d) The President shall designate one of the members to serve as Chairman and one to serve as Vice Chairman of the Commission.

(e) Four members of the Commission shall constitute a quorum.

DUTIES OF THE COMMISSION

SEC. 2. (a) The Commission shall conduct a comprehensive study and investigation of the scope and adequacy of measures now employed to protect consumers against unreasonable risk of injuries which may be caused by hazardous household products. Such study and investigation shall include consideration of the following:

(1) the identity of categories of household products, except such products excluded in section 6, which may present an unreasonable hazard to the health and safety of the consuming public;

(2) the extent to which self-regulation by industry affords such protection;

(3) the protection against such hazardous products afforded at common law in the States, including the relationship of product warranty to such protection; and

(4) a review of Federal, State, and local laws relating to the protection of consumers against categories of such hazardous products, including the scope of coverage, the effectiveness of sanctions, the adequacy of investigatory powers, the uniformity of application, and the quality of enforcement.

(b) The Commission may transmit to the President and to the Congress such interim reports as it deems advisable and shall transmit its final report to the President and to the Congress not later than January 1, 1969. Such final report shall contain a detailed statement of the findings and conclusions of the Commission together with its recommendations for such legislation as it deems appropriate.

POWERS OF THE COMMISSION

SEC. 3. (a) The Commission, or any two members thereof as authorized by the Commission, may conduct hearings anywhere in the United States or otherwise secure data and expressions of opinions pertinent to the study. The Commission shall publish notice of any proposed hearing in the Federal Register and shall afford a reasonable opportunity for interested persons to present relevant testimony and data. In connection therewith the Commission is authorized by majority vote—

(1) to require, by special or general orders, corporations, business firms, and individuals to submit in writing such reports and answers to questions as the Commission may prescribe; such submission shall be made within such reasonable period and under oath or otherwise as the Commission may determine;

(2) to administer oaths;

(3) to require by subpena the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

(4) in the case of disobedience to a subpena or order issued under paragraph (a) of this section, to invoke the aid of any district court of the United States in requiring compliance with such subpena or order;

(5) in any proceeding or investigation to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths, and in such instances to compel testimony and the production of evidence in the same manner as authorized under paragraphs (3) and (4) of this subsection; and

(6) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States.

(b) Any district court of the United States within the jurisdiction of which an inquiry is carried on may, in case of refusal to obey a subpena or order of the Commission issued under subsection (a) of this section, issue an order requiring compliance therewith; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

(c) The Commission is authorized to require directly from the head of any Federal agency available information deemed useful in the discharge of its duties. Each Federal agency is authorized and directed to cooperate with the Commission and to furnish all information requested by the Commission to the extent permitted by law.

(d) The Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conduct of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

(e) When the Commission finds that publication of any information obtained by it is in the public interest and would not give an unfair competitive advantage to any person, it is authorized to publish such information in the form and manner deemed best adapted for public use, except that data and information which would separately disclose the business transactions of any person, trade secrets, or names of customers shall be held confidential and shall not be disclosed by the Commission or its staff: *Provided, however,* That the Commission shall permit business firms or individuals reasonable access to documents furnished by them for the purpose of obtaining or copying such documents as need may arise.

(f) The Commission is authorized to delegate any of its functions to individual members of the Commission or to designate individuals on its staff and to make such rules and regulations as are necessary for the conduct of its business, except as herein otherwise provided.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 4. Each member of the Commission may receive compensation at the rate of $100 for each day such member is engaged upon work of the Commission, and shall be reimbursed for travel expenses, including per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

ADMINISTRATION

SEC. 5. (a) The Commission is authorized, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, to appoint and fix the compensation of an Executive Director and the Executive Director, with the approval of the Commission, may employ and fix the compensation of such additional personnel as may be necessary to carry out the functions of the Commission, but no individual so appointed shall receive compensation in excess of the rate authorized for GS–18 by section 5332 of such title.

(b) The Executive Director, with the approval of the Commission, is authorized to obtain services in accordance with the provisions of section 3109 of title 5, United States Code, but at rates for individuals not to exceed $100 per diem.

(c) The head of any Federal agency is authorized to detail, on a reimbursable basis, any of its personnel to assist in carrying out the duties of the Commission under this Act.

(d) Financial and administrative services (including those related to budgeting and accounting, financial reporting, personnel, and procurement) shall be provided the Commission by the General Services Administration, for which payment shall be made in advance, or by reimbursement, from funds of the Commission in such amounts as may be agreed upon by the chairman of the Commission and the Administrator of the General Services. Regulations of the General Services Administration for the collection of indebtedness of personnel resulting from erroneous payments shall apply to the collection of erroneous payments made to or on behalf of a Commission employee, and regulations of said Administrator for the administrative control of funds shall apply to appropriations of the Commission, but the Commission shall not be required to prescribe such regulations.

(e) Ninety days after submission of its final report, as provided in section 2(b), the Commission shall cease to exist.

DEFINITION

SEC. 6. The term "household products" means products customarily produced or distributed for sale through retail sales agencies or instrumentalities for use by a consumer or any member of his family. Such term does not include products regulated under the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1381 et seq.), the Flammable Fabrics Act (15 U.S.C. 1191 et seq.), the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.), the Federal Hazardous Substances Labeling Act (15 U.S.C. 1261 et seq.), the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1331 et seq.), and the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 135 et seq.).

AUTHORIZATION

SEC. 7. There are authorized to be appropriated such sums, not to exceed $2,000,000, as may be necessary to carry out the provisions of this Act.

The preamble was amended so as to read:

Whereas the American consumer has a right to be protected against unreasonable risk of bodily harm from products purchased on the open market for the use of himself and his family;

Whereas manufacturers whose products are marketed substantially in interstate commerce are entitled to a reasonable degree of uniformity in the application of safety regulations to such products;

Whereas it is desirable to establish a commission to review the scope, adequacy, and uniformity of existing voluntary self-regulation and Federal, State, and local law relating to consumer protection against such hazardous products; and

Whereas it is desirable for such commission to make recommendations as it deems appropriate for remedial action by the President, the Congress, the States, and private industry: Now, therefore, be it

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate, I reiterate that following the disposition of the legislation seeking to establish a National Commission on Product Safety, the order of business will be Calendar No. 281, H.R. 2508, which concerns congressional redistricting.

COAL TO GASOLINE AT COMPETITIVE PRICES

Mr. BYRD of West Virginia. Mr. President, very great potential benefits for our Nation lie in the hands of researchers and technicians in the coal industry. Among the very stirring accomplishments being made through coal research is the prospect of commercially profitable production of gasoline from coal which is beginning to be realized through operations at the pilot plant at Cresap, W. Va.

As one who has strongly supported

this research, including long efforts to fund the costs of plant construction, I found it greatly satisfying to attend the dedication of the plant on May 27.

As a booster of "Project Gasoline," through which this coal-to-gasoline process is being researched, I have provided a summary of the project and its potentials which was published recently in the form of an article, "Coal-to-Gasoline at Competitive Prices," which appeared in the May issue of the Mining Congress Journal. I believe that my colleagues here in the Senate, who supported the funds for this research through their votes, will be interested in the progress being made and the great future promise for economic benefits to our Nation.

I ask unanimous consent that the magazine article to which I have referred be printed in the RECORD.

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

COAL-TO-GASOLINE AT COMPETITIVE PRICES

(By U.S. Senator Robert C. Byrd of West Virginia)

Engineers have long known that it is possible to produce gasoline from coal; in fact, the Europeans made good use of the practice during World War II when petroleum could only be had at a premium. But for many people it will be a source of wonder to realize that coal will soon be the source of automobile gasoline obtained at costs that will make it competitive with fuels produced by traditional methods.

The major breakthrough on this cost barrier—which will mean a new field of development for coal—was accomplished chiefly with the assistance of federally-sponsored research entitled "Project Gasoline." The first pilot plant operation of this process will be conducted in the State of West Virginia—the heartland of power-from-coal.

The $5.5 million plant nearing completion at Cresap, W. Va. will enable Consolidation Coal Co. to set the wheels in motion on the operation that may revolutionize customary fuel supplies.

RESEARCH CONTRACT LET IN 1963

In addition to the promises it holds for the coal industry, engineers and research technicians believe the most encouraging aspect of the work is the possibility of producing gasoline at a refinery cost of 11 cents a gallon. At such a cost it will become economically competitive with other types of refinery fuels—and thereby justifies the experiment.

There are many reasons why I am interested in this project and why I, as a member of the Senate Appropriations Subcommittee which provides funds for the Office of Coal Research, took the lead in endorsing a $10 million research contract for the project in 1963. It was under this basic research contract that the process was perfected, which led to establishing the pilot plant.

Our need for additional sources of petroleum becomes apparent with the knowledge that the total United States demand for petroleum products is currently about 3½ billion bbl a year, and by 1980 it is expected to be six to eight billion bbl. Twenty years beyond that, in 2000, it could possibly be 12 to 15 billion bbl a year.

PETROLEUM INDUSTRY COULD ACTUALLY BE HELPED

These figures indicate that the availability of gasoline from coal should not greatly upset the petroleum industry as we know it today. Rather, it should be the other way around. Coal could be useful to the industry in helping it to supply the ever-increasing demand for gasoline, diesel fuel, and similar traditional petroleum products. George Fumich, Jr., director of the Office of Coal Research, believes there are signs that this is recognized, and says that many petroleum companies are extending their bases so as to have other sources of raw materials.

Closer to home is the knowledge that this pilot plant will use from 20 to 25 tons of bituminous coal daily. This represents a new economic horizon for West Virginia, where there exists an estimated seven billion tons of coal in underground reserves. The employment and income which could result from an increasing demand for this coal would be a healthy stimulant for the economy of affected coal producing areas.

COMMERCIAL PLANT WOULD NEED 17,000 TPD OF COAL

Projections indicate that an average commercial plant would require 17,350 tons of coal each day, or 5.75 million tons annually. The yield would be 18 million bbl of gasoline and the equivalent of about 1.5 million tons of boiler fuel in the form of char each year.

It is realistic to assume that, for a long time to come, most fuels will be produced from petroleum. On the other hand, "Project Gasoline" promises to produce competitively priced gasoline in some locations, and that, consequently, it can be a favored source of liquid fuel where suitable reserves of coal are available. If a small percentage of the growing liquid fuel demand is satisfied by coal, it will result in very large increases in coal consumption.

For the most part, the technique does not attempt to convert all of the coal to gasoline. Instead, the most amenable fraction of the coal is converted, hopefully at lower costs, and the remainder, a low-volatile char, becomes, boiler fuel or other product.

MAIN PRODUCTS ARE GASOLINE AND CHAR

The method used is to dissolve the coal in a liquid which itself is produced in the process. Ash and the less reactive parts of the coal are filtered out, and the remaining extract is catalytically hydrocracked to produce a refinery feed stock. This stock is then processed in a more or less standard manner to produce high-octane gasoline and char as the end-products.

The operation will work this way; prepared coal goes to the extraction step where it is partially dissolved and then filtered to separate the liquid extract from the undissolved coal and coal ash. Any gases produced in this step will be purified to manufacture hydrogen for the hydrogenation needs of the process. Recovery and reprocessing of off-gases throughout the plant are a vital part of the overall process. The solid fraction from the filter will go to the low temperature carbonization unit for the production of char, but primarily for recovery of the solvent. Recovery of the solvent, which takes places at several steps, is necessary to make the process self-sustaining.

Liquids from the filtration step are washed with water to remove minute quantities of ash and then distilled into three streams. In the first stream, recovered solvent is recycled to the extraction step; in the second, crude feed is sent directly to the final gasoline-making step; and the third stream is treated with hydrogen to produce additional crude for hydrocracking.

Before the plans for a pilot plant could be approved, there had to be convincing evidence of its practicality. It came in the form of a report on bench scale research that pinpointed the conversion of coal to gasoline at 80 percent! The economic potential was then detailed by Ralph M. Parsons Co.

REFINERY WILL HAVE TO BE LARGE

It is believed that to be commercially practical, the coal-gasoline refineries must be large—in the size range of 30,000 to 100,000-bbl a day output. This would compare favorably with many oil refineries. It means that when the pilot plant has brought this process to the level of normal commercial risks, large long-term coal reserves must be assembled to serve one plant and substantial amounts of capital must be accumulated to build the plant.

Taking shape at the 15-acre site at Cresap are several buildings including administration and control buildings, the warehouse, shops and utility centers. There are hoppers to receive coal from the railroad cars, and a three-story open-air extraction and filtration center where coal will be washed and prepared for the next process. Surrounded by concrete walls are the areas where coal will undergo hydrogenation under pressures of 5000 psi. The hydrogenation center is easily recognizable from the tall columns to house the liquid for the distillation process, in which the synthetic crude material is separated for a later refining into gasoline.

A tank farm will store the crude liquid for shipment to a refinery.

SUCCESS OF PILOT PLANT WILL GIVE FINAL ANSWER

The pilot plant will employ about 100 persons and produce about 60 bbl of synthetic crude material from the 20 to 25 tons of coal to be used. This is equivalent to some 2500 gal of gasoline a day.

It is interesting to note that this is the first step in a lengthy process. Neal P. Cochran, who, as chief of the Utilization Division of the Office of Coal Research, has supervised "Project Gasoline," believes that the final answer to the conversion of coal to gasoline must still await the success of the pilot plant operation. But Cochran states, "We have made every reasonable effort to make the best possible engineering pre-evaluations and they give us good reasons to be optimistic."

If gasoline is produced commercially from coal, it is inevitable that kerosene, a light fuel oil or diesel fuel, and other fuels can probably be produced in some quantity. That, I believe, is the opening of a door to a major change in the supply and availability of petroleum fuels and paints a beautiful future for mining and miners.

UDALL SPEAKS ON PROJECT GASOLINE AT CRESAP, W. VA.

Mr. BYRD of West Virginia. Mr. President, on May 27, the pilot research plant for converting coal into gasoline at Cresap, W. Va., was dedicated. A number of Federal and industry officials were present, in addition to State dignitaries.

In discussing the tremendous potentials to be derived from successful founding of an economically profitable commercial refinery for production of gasoline from coal, Secretary of the Interior Stewart L. Udall, a principal speaker, pointed out that the $5.6 million plant could be the first of many to emerge in coal-producing regions, elsewhere in Appalachia, the Midwest, the northern Great Plains, and the Intermountain West.

I ask unanimous consent that the speech by Secretary Udall be printed in the RECORD at this point.

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

ADDRESS BY SECRETARY OF THE INTERIOR STEWART L. UDALL AT THE DEDICATION OF THE SYNTHETIC LIQUID FUELS PILOT PLANT, CRESAP, W. VA., MAY 27, 1967

The dedication today of this pilot plant in Cresap, West Virginia, indicates that a significant phase has been reached in research directed toward the conversion of coal to competitively-priced gasoline. The presence here of responsible Federal, State and busi-

ness executives suggests that this is no ordinary event and that the results of this testing will be followed carefully by many people.

The Department of the Interior is supporting various approaches to the conversion of coal to liquids and gases. The program is closely interrelated and interdependent. In point of time, this is the first OCR pilot plant to be activated. The decision to move to pilot plant came after successful benchwork and process development, and after very careful independent analysis.

The development of this specific process stems from earlier private research undertaken by the Consolidation Coal Company, now a part of the Continental Oil Company.

Shortly after the Office of Coal Research was staffed, the Department was visited by representatives of the Consolidation Coal Company and the Standard Oil Company of Ohio, who wished to discuss their process for converting coal into gasoline. Their data and information was reviewed carefully and the process was evaluated by an independent engineering company. This evaluation revealed that the process appeared marginally competitive or noncompetitive. As such, it was felt that commercial enterprises would probably avoid this type of operation. We believed, however, that this type of risk-taking was what the Congress intended when the Office of Coal Research was established. Government support of this program is in keeping with its position regarding assistance of research which promises to return to society many times the cost of the original research.

We are meeting today in the largest coal-producing State of the Nation—West Virginia. In this same region are other States which mine coal and are part of what is generally known as Appalachia.

There are, it may be reasoned, various ways of raising the income level of Appalachia. One way is through the mining of the coals of which the area is richly endowed and another is through industrialization. These possibilities are not mutually exclusive.

The mining of coal pays for labor and materials, and studies have shown that the benefits flow out throughout the community. A commercial coal refinery based on successful results from this pilot plant would of necessity be large with a production capacity of 30,000 to 100,000 barrels per day—similar to many present oil refineries. This would involve the opening of large mines dedicated to this purpose.

As we develop methods for converting coal into synthetic fuels, we can expect to reap other benefits from our program. Creation of a synthetic fuel industry will create mining jobs, it will create jobs in the synthetic fuel industry itself, it will create jobs in satellite industries that we expect to grow around large-scale coal processing plants, and it will create prosperity and wealth in many regions of our country that require a lift. We firmly believe that these manufacturing plants will emerge in our coal-producing regions, such as Appalachia, the Mid-West, the Northern Great Plains, and the Intermountain West. Skillful exploitation of the techniques we develop here and at other locations will make energy available to our economy and insure that coal will continue to play an important part in development of our Nation.

These possibilities have been recognized from the beginning by Senator Robert C. Byrd, who has been a strong supporter of the Office of Coal Research. As a member of the Department of the Interior Senate Appropriations Subcommittee, Senator Byrd, who shares this platform with me today, has played an important role in helping us secure the funds for the Project Gasoline pilot plant that we are dedicating here today.

Energy, in all its forms, is a vital key to man's progress. As President Johnson said earlier this year in citing the need for a coordinated energy policy: "We must better understand our future energy needs and resources. We must make certain our policies are directed toward achieving these needs and developing these resources."

It is in this context that the Department of the Interior is working for intelligent use of our energy resources for the benefit of our Nation—both today and in the future. In the area of energy, coal has been, and will continue to be, important. Our national reserves of coal constitute upwards of 80 percent of our recoverable fossil fuel reserves. We believe these reserves can be converted into synthetic fuels, both liquids and gases, as well as into electricity. Both in the Office of Coal Research and the Bureau of Mines, we are vigorously pursuing research and development along all these lines, along with many others.

In particular, the Office of Coal Research has sought out processes for converting coal into crude oil, gasoline, jet fuel, pipeline gas, fuel gases, and into electric power. Much of this work, along with other work of the Department, can potentially benefit the process used in this pilot plant. This process can, in turn, materially assist a number of the other projects.

I would like to describe for you one such instance. If we look upriver, we can see stacks from a coal-fired, mine-mouth powerplant. Downriver, we can view similar stacks. The process we expect to prove out in this plant will produce high quality, low cost boiler fuel as a byproduct. This boiler fuel will leave the process in the form of a char with a substantially lower sulfur content than the coal from which it came. In all our departmental evaluations, we have calculated a price for this fuel at a lower cost than the coal raw material fed to the plant. Being deficient in hydrogen, this material is an ideal fuel for an MHD powerplant. The potential high efficiency of MHD powerplants, coupled with this low sulfur char, will lead to an elimination of air pollution, with drastically reduced thermal pollution and produce electric power at very low cost. In one step, then, we will have converted coal into a high quality liquid fuel and into electricity to the mutual benefit of both industries, with a significant move toward elimination of air and thermal pollution. As our Nation's population grows, our people will require increasing quantities of electric power, as well as increasing quantities of liquid fuel. To this extent, at this dedication, we are standing in the doorway to tomorrow.

In a gross sense it is possible to describe the process in simple terms. The scientists and engineers who have been working to perfect the process are here today and can fill you in on the details.

Coal is ground and dried and partially dissolved in a solvent. The solvent is a liquid produced in the process itself. The dissolved coal, containing the fraction most useful in producing the end product, is separated from the undissolved solids including the ash. The solid fraction thus removed is not wasted but can be a useful boiler fuel.

The liquid fraction is then combined with hydrogen to produce a refinery feed stock. This is then refined, following more-or-less standard petroleum refining methods, to produce high octane gasoline fuel oil and liquid petroleum gases. I said "more-or-less standard methods" of refining purposely. Just as crude petroleum varies widely according to source, the feed stock from this process will be different in some particulars from petroleum, and undoubtedly will vary with the source of raw coal feed.

We mention this so that no one is led to believe that the output of this process is undistinguishable and absolutely interchangeable with some standard specification petroleum. Nevertheless, we do believe that it can be refined to high grade standard products within the range of raw material variation normal to the petroleum industry.

In this pilot plant the necessary hydrogen is made by reforming natural gas. While this is the economical and expedient thing to do for the time being we do regard it as a temporary measure. All of the processes under development by OCR to make liquid and gaseous fuels from coal require some source of hydrogen. The Office of Coal Research is attacking this problem and the Consolidation Coal Company and other contractors are developing coal to hydrogen processes so that eventually all conversion processes should use only coal, water, and air as raw materials.

What is our outlook for the future? As indicated earlier, this process appeared to be marginally competitive or noncompetitive. Today, as a result of hard, conscientious work on the part of all concerned, the plant has been built and will now begin operating. We believe that this process, projected to commercial scale, can be competitive. During the period this plant operates potential manufacturing costs should be reduced still further. This would indicate that we will have all the data needed for design of a commercial plant by the early 1970's. We can look forward to operation of a commercial plant by industry prior to 1975. This dedication is, then, a giant step forward in our effort to properly utilize the coal with which our Nation has been blessed.

Thank you for being with us today.

ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, if there is no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 3 o'clock and 48 minutes p.m.), the Senate adjourned until tomorrow, Tuesday, June 6, 1967, at 11 o'clock a.m.

Executive nominations received by the Senate June 5, 1967:

DIPLOMATIC AND FOREIGN SERVICE

Benigno C. Hernandez, of New Mexico, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Paraguay, vice William P. Snow.

THE JUDICIARY

Thomas D. Lambros, of Ohio, to be U.S. district judge for the northern district of Ohio to fill a new position created by Public Law 89–372, approved March 18, 1966.

Stephen H. Sachs, of Maryland, to be U.S. attorney for the district of Maryland for the term of 4 years, vice Thomas J. Kenney, resigned.

Veryl L. Riddle, of Missouri, to be U.S. attorney for the eastern district of Missouri for the term of 4 years, vice Richard D. FitzGibbon, Jr., resigned.

John C. Begovich, of California, to be U.S. marshal for the eastern district of California for the term of 4 years to fill a new position created by Public Law 89–372, effective September 18, 1966.

IN THE NAVY

Adm. Thomas H. Moorer, U.S. Navy, for appointment as Chief of Naval Operations in the Department of the Navy for a term of 2 years pursuant to title 10, United States Code, section 5081.

CONFIRMATION

Excutive nominations confirmed by the Senate June 5, 1967:

FEDERAL HOME LOAN BANK BOARD

John E. Horne, of Alabama, to be a member of the Federal Home Loan Bank Board for the term expiring June 30, 1971.

EXTENSIONS OF REMARKS

Glen Rock Student Wins Honors

EXTENSION OF REMARKS
OF
HON. WILLIAM B. WIDNALL
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, June 5, 1967

Mr. WIDNALL. Mr. Speaker, we often read and hear about young people who have come into conflict with the established standards of behavior of our society. I am convinced, however, that the only reason that we are informed of such news is precisely because of the fact that it is news. Only a small minority of the Nation's young people experience such difficulties. The vast majority matures and takes its place in our society as responsible citizens without incident. I wish to give particular credit to this latter group by bringing to the attention of my colleagues the fine accomplishments of one of my young constituents, Neil Calman of Glen Rock, N.J.

Neil is a senior at Glen Rock High School who has distinguished himself both in school and in his community. Besides being a top student in his class, Neil has participated in such varied activities as the Glen Rock High School Band, stage crew, Explorer Scouting, horseback riding, scuba diving, and leadership in the United Synagogue Youth chapter of the Glen Rock Jewish Center. But Neil's greatest interest lies not in these activities, but in his laboratory work in leukemia research.

It is Neil's research paper entitled "Respiratory Alterations Due to Drug Resistance in L1210 Ascites Tumor" that has won him national recognition with the recent honor of being one of 150 students invited to attend the National Junior Science and Humanities Symposium at the U.S. Military Academy at West Point, N.Y. The paper was the result of a tremendous amount of work at the Marcia Slater Leukemia Research Laboratory of the Jewish Memorial Hospital in Manhattan. After a summer of volunteer work at the laboratory in 1965 in which he learned the use of the lab equipment, Neil became an actual employee of the lab last summer. He was placed in charge of his own project, the procedure for which he devised himself, including the necessary library research.

Neil describes his research project as "a study of the oxygen consumption of mouse leukemia cells. The untreated cells were compared to cells that were resistant to either 6-mercaptopurine or methotrexate, both of which are antileukemia drugs. It was concluded that the 6-mercaptopurine mutation is associated with a change in the respiratory mechanisms."

Neil plans to continue his research project after his graduation from high school because of his awareness of the importance of repeating each experiment over and over to prove that the results are not mere coincidence. Significantly, Neil feels that the most important thing he has learned in his 2 years of research is "not only the responsibility to yourself, but the responsibility to other people."

Neil's abilities and interests will undoubtedly take him far in the career he plans to pursue in research after several years of study at the University of Chicago. I am certain that my colleagues in the House will join me in congratulating Neil on his achievements and in wishing him the best of luck in his future endeavors.

Crisis in Israel

EXTENSION OF REMARKS
OF
HON. E. S. JOHNNY WALKER
OF NEW MEXICO
IN THE HOUSE OF REPRESENTATIVES
Monday, June 5, 1967

Mr. WALKER. Mr. Speaker, I take this opportunity to put myself on record as favoring any action the administration takes to preserve the territorial integrity of Israel.

In my opinion, the United States has a much bigger stake in the affairs of the Middle East than it does in Southeast Asia. I already have informed the administration of my feelings on this matter.

I do not, in any way, mean to imply that I will support any action that would jeopardize our military operations or the lives of our men in Vietnam.

The Arab nations, despite untold riches, have stultified, while Israel, with only a tiny foothold on the African continent, has forged ahead in social and material progress, proving, if nothing else, that it is people, not things, that make for greatness in nations. The first reports from the Middle East battlefields indicate that Israel, although surrounded on three sides by its enemy is making a heroic stand.

The imagination is hard put to envision the spectacle of the United States standing idly by while the Middle East becomes a slaughterhouse.

Essentially, the question which precipitated the crisis is a legal one. The suggestion that the International Court of Justice at The Hague be given jurisdiction still has merit, despite the fighting now going on. Both Israel and the United Arab Republic are members of the Court.

If both sides in the Middle East conflict would cease hostilities and accept a decision of the Court, it would be a tremendous victory for reason over emotion. It is still not too late to take this course.

If either side in the dispute refused to accept the International Court's jurisdiction, then the United States or the United Nations should seek an advisory opinion from the Court on the issue of free passage through the Gulf of Aqaba.

I believe the United States should reaffirm its desire to settle international disputes by the rules of reason and law, rather than by the irrational use of armed might.

America's Challenge to Youth

EXTENSION OF REMARKS
OF
HON. ROBERT B. (BOB) MATHIAS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 5, 1967

Mr. MATHIAS of California. Mr. Speaker, I am very proud to call to the attention of the House of Representatives an outstanding youth group in the congressional district I represent, in Delano, Calif.

Established on February 24, 1963, the Father Garces Circle No. 1625, of the Columbia Squires, is an example to the entire community of Delano.

A good friend of mine, Bob Brooks, founded the organization and still remains active in all its programs. Certainly, his leadership and dedication to these young boys has meant a great deal to the continuing success of this group.

Briefly, the Columbian Squires are sponsored by the Knights of Columbus, and serve boys aged 13 to 18. They center their activities in four general areas: spiritual, social, civic-cultural and physical. All programs have as their underlying theme the advancement and betterment of the individual.

Some of their more notable volunteer activities have included work on behalf of the American Red Cross and the Kern County retarded children.

I also want to direct particular attention to a recent achievement of the Delano Circle of the Columbian Squires. In competition with more than 900 circles throughout the world and a membership in excess of 30,000, the Delano Circle was recognized as the "No. 1 International Circle of the Year."

Last April, I had the pleasure of addressing a dinner meeting sponsored by the Squires, and at this time I would like to share with my colleagues some of the remarks in my speech. While these ideas were directed to the Columbian Squires, I hope that other young people may also benefit from the message therein.

AMERICA'S CHALLENGE TO YOUTH

A British author once commented that "Youth was so wonderful that it was a shame to waste it on the young." . . . But his attention to the condition of the younger generation of his day was hardly new. As long ago as ancient Greece the philosophers were lamenting that the young people of their day had lost all respect for the elders, and that the world would surely suffer because they were so irresponsible.

But we're here today, not to join in these laments, but to recognize the talents that this particular young generation possess. Perhaps as no other generation before, you are involved and aware of the world around

you. Current morality, the bomb, Vietnam, the draft—all these and many other crucial issues find their way into your magazines, your class rooms, and your discussions. You are, without a doubt, the aware generation.

And few times in history have demanded awareness that this era does today. There was a time when America was isolated from the affairs of other nations by the physical barriers of the two oceans. But with the advent of the airplane, and particularly the jet, the most remote areas of the world are just a few hours away. And, as this nation has assumed a position of leadership in the free world, we can no longer be self-centered.

What does this all mean to you? I think, a great deal, not only because, as you have heard so often, today's youth are the leaders of tomorrow, but also because you have a definite and constructive role to play right now. The idea gets around that 21 is some sort of magic age—that citizenship and participation begin then, and only then. Nothing could be further from the truth. The fate of a nation rests upon the opinions of its young people. This means that the demands and challenges of the twentieth century must be met by you, not only in your future role as leaders, but in your present opportunities and roles as young people.

The first role you have is one of you share with all those who live in a democracy—to be well-informed of current events. A dictatorship is actually more efficient if the people who are ruled are NOT aware of what is going on. Then the tyrant can get away with all he wants, with little fear of discovery. But a democracy rests on the premise that the citizens are intelligent enough to choose their own government . . . A good representative government, if the citizens do not even know what is going on around them. What a farce that premise becomes. In other words, this democracy can continue to be a democracy only if the people who live in this country are informed on the crucial issues that confront us. Only through knowledge of the conditions around us can we prevent the erosion of our freedoms that can only take place in the shadows of ignorance and complacency.

People who are informed can exert their influence.

Let me give you an example.

A housewife in one of the Western States read in the papers that hunters and ranchers were killing and raiding herds of wild ponies, and that these beautiful animals were slowly being wiped out. This informed citizen wasn't content to read about it and sit home and do nothing. She began action that finally resulted in legislation enacted by Congress providing protection for those wild ponies by the National Park Service.

The story about the housewife points out the importance of participation. If that woman had read the papers, thought how bad it was that the ponies were being wiped out, and then did nothing, those animals would be gone by now. But she coupled her knowledge with action, and out of that combination came constructive results. Participation, however, doesn't require that you start a national campaign. There are many things that you, as young people, can do to become involved in politics.

Really, one of the best ways can be found in your school, and in its student government. Student government, or student council, or whatever you call it, is an excellent place to learn the workings of our system of government. First, it's Representative. All the students select a few students to decide upon their rules, plan their activities and determine other matters. Second, it's democratic in that all vote for the few who finally represent them. But valuable experience does not limit itself merely to those who get elected. Those who run for office will learn about campaigning, with all its trials and sometime triumphs. You learn the art of building a platform, of making speeches, and see just how much is really involved. Those of you who are elected will learn the responsibility for making decisions for many others than just yourselves. And those who vote will learn to evaluate a campaign, and to try to pick the best candidate based on his merits. Thus, student government is the essence of the workings of a democratic republic such as ours, as well as being an excellent method of becoming involved in politics.

To the man on the street, politics is likely to be directly connected and limited to the major political parties. But there is a place for you here also. Both parties are eager to have young people working with them, and they have organizations designed specifically with you in mind. Whether you are a Young Democrat or a Young Republican, the experience is as invaluable as well as fun. Political parties need workers to pass out literature, to work in headquarters, and to perform a hundred other essential tasks.

Such activities as these can prepare you for an even fuller participation in politics in the years to come. The Congressional elections of this last year saw the election of many young Representatives, despite their young age, most of them had extensive preparation in politics.

Challenge awaits each and every one of you young adults here this evening. It's not only a challenge to make something of yourself, to become a success. It's the challenge to make something of this Nation, and of this world. Only through your initiative, your courage, and your determination, can America continue on the road to continued prosperity and freedom. No matter how trite it may sound, and no matter how many times you may have heard it, it's still true, that you are the leaders upon whom this country will rely for her future success.

This is the challenge of America. A challege of high ideas fostered since its birth, a challenge of vast potential yet to be tapped. It must be met by each of us, separately and together. We must all be informed, all be dedicated, all be involved in the crucial affairs of state. It's been said that a chain is no stronger than it's weakest link. That's especially true of a democracy, where all of us rely on each of us to do our part in bearing both the rights and the responsibilities of citizenship.

This is the challenge before you, it's yours to accept or reject. Our future rests with you.

Social Security Benefits

EXTENSION OF REMARKS
OF
HON. PAUL A. FINO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, June 5, 1967

Mr. FINO. Mr. Speaker, I reintroduced my bill to provide that disabled widows may receive full social security benefits at 50 rather than have to wait until age 62—reduced benefits are payable at age 60.

Under the present law, a disabled widow must wait until she is 62 in order to collect full social security benefits, unless she is the mother of a disabled child or one under 18.

This is totally unfair. A disabled widow is, beyond doubt, a very hard person to place in a job. The interim between the time she either becomes a widow or her child becomes 18, and the time she reaches 62, has aptly been described as the "valley of despair." She may have no means of support. The age requirement of 62, in this circumstance, is unrealistic and cruel. I strongly urge humanization of this law so that disabled widows can receive social security benefits at age 50.

Dr. Edward Lee Russell

EXTENSION OF REMARKS
OF
HON. RICHARD T. HANNA
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 5, 1967

Mr. HANNA. Mr. Speaker, I would like to take this opportunity to give recognition to one of the outstanding citizens of my district, Dr. Edward Lee Russell. "Doc" Russell as he is affectionately known, will retire this year after almost 40 years of public service in the healing arts. He came to Orange County, Calif., in 1930. At that time it was a relatively sparsely settled farming area. In his 37 years of service to Orange County, first as chief of the county's division of maternal and child health, later as child psychiatrist for the county's juvenile courts, and for the last 28 years as county health officer, he has seen many changes take place. He has seen the county grow at an almost unparalleled pace. This great growth placed demands upon the county health department, demands which were met by "Doc" Russell and the able organization he was responsible for building and leading.

"Doc" Russell, in addition to taking an active leadership in Orange County, played a prominent role in State Public Health Affairs. He served as president of the health officers section, League of California Cities in 1946. In 1954 he was elected President of the Southern California Public Health Association. In 1955–56 he served as president of the California Conference of Local Health Officers. In 1960–61 he assumed the presidency of the important western branch of the American Public Health Association.

Today "Doc" Russell serves as both the senior attending physician and member of the board of trustees of Children's Hospital of Orange County. He also holds membership in the Los Angeles Academy of Physicians.

During his long career, "Doc" Russell has contributed a score of important articles in the fields of public health. The development of these articles represents an extraordinary accomplishment when viewed in light of the fact that "Doc" Russell was at this same time shouldering important burdens of leadership noted above.

It would be a serious oversight to fail to recognize "Doc" Russell for his community services outside the medical profession. He has provided leadership in countless civic projects. In recognition of his civic leadership, the Edward Lee Russell Elementary School was dedicated in his name some 5 years ago.

I consider it a privilege to take this opportunity to express my personal respect for this outstanding individual. He has served his county and State with great distinction.

Hanna Hails Anniversary of Consumer Credit Counselors of Orange County

EXTENSION OF REMARKS
OF
HON. RICHARD T. HANNA
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 5, 1967

Mr. HANNA. Mr. Speaker, I note with a great deal of pleasure the passing of the first anniversary of the Consumer Credit Counselors of Orange County. This fine group, whose headquarters are located in Santa Ana, Calif., is a nonprofit corporation made up of business, labor, and county service groups. Its purpose is to provide a free credit counseling service to the community.

The Consumer Credit Counselors of Orange County first opened its doors on June 1, 1966. Under the leadership of Carl F. Lindquist, the manager and executive director; Mike Booth, the president; Wendell K. Johnston, treasurer, as well as a board of directors of public-minded citizens, the group has grown and expanded. During the course of its initial year of operation, it has aided numerous families in Orange County.

In large measure, credit for the success of this service can be claimed by three broad groups: the consumer finance industry, banks, and retailers in Orange County. Representatives of each of these industries have given a great deal of financial assistance to the counseling group.

While the vast majority of American families can and do handle their credit obligations without difficulty in this era of installment credit, there unfortunately do exist some families which become so enmeshed in financial difficulties, either through accident, ill health, and so forth, that they are unable to meet their obligations when due. This results in loss for the creditors, and often acute family disruption, inefficiency, garnishment, job loss, and other problems for the debtor. If debt problems are permitted to become acute, they can become social problems which affect the entire community. They can also generate criticism of the whole consumer credit system which has become such a vital part of the postwar economic growth of our Nation.

Unfortunately, I must point out that California with about 9½ percent of the Nation's population records more than 18 percent of all U.S. personal bankruptcies. This is despite a per capita income that places California fifth among all States.

The consumer credit counselors have established educational and publicity programs on the economics of sound credit, the wide use of credit, and family income management. They have included educational seminars, family counseling, and assistance to social workers in the various agencies in the field of credit counseling.

It has been my distinct privilege to serve on the board of directors of this fine organization. On the occasion of their first anniversary, I congratulate them and wish them every success in the future.

Hebrew Academy of Nassau County

EXTENSION OF REMARKS
OF
HON. HERBERT TENZER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, June 5, 1967

Mr. TENZER. Mr. Speaker, on Sunday evening, June 4, 1967, I attended the 14th annual dinner of the Hebrew Academy of Nassau County, honoring District Attorney William Cahn of Nassau County.

The Hebrew Academy of Nassau County has grown from an enrollment of 30 students 14 years ago to a student body of 600 from 30 communities throughout Nassau County and beyond. The academy has met the highest educational standards of New York State while at the same time providing a program of intensive Hebraic teaching. In its religious studies, covering the breadth of Biblical instruction, taught in Hebrew, the original language of the Old Testament, the academy has placed special emphasis on the development of ethical values of Judaism as applied to our American democracy.

The Hebrew Academy has also excelled in the field of Jewish day camping in Nassau County. The success of the HANC day camp program resulted in the construction of an additional modern campsite at the Mitchel Field Center.

Mr. Speaker, the invocation at the dinner was delivered by Rabbi Meyer Fendel, principal of the Hebrew Academy of Nassau County. He invoked the blessings of Almighty God, Creator of all men, in a prayer for peace for all mankind.

INVOCATION

As we meet in commemoration of our 14th year, to pay tribute to a faithful servant of our cause, our honored guest, William Cahn, the hearts and thoughts of all of us throb to the terrifying events of the past few days and we pray in the agony of our souls. For in this critical hour, the very fabric of all that is precious to our people stands threatened by overcast skies, darkened by clouds of war hovering over Thy holy land—the tiny State of Israel. Together with Israeli pioneers, those who were snatched from the embers of the inferno which raged no more than two score years ago transformed a desert into a blossoming garden and a wilderness into a home for the homeless. For the weary survivors of the gehinom of Europe, the only ray of hope beckoned from this ancient hallowed territory. Now the fury of aggression threatens this land and our people there . . . casting fear unto all mankind. As Israel stands menaced by those who cry out—

"Come let us cut them off from being a nation that the name Israel shall no longer be remembered," we echo the words of Thy psalmist: "Our earnest desire is for peace . . . while they seek war. Peace is Thy most precious gift and an embattled people fresh from the wounds of holocaust and decimation beseech thee from the depths of their being that this gift be vouchsafed unto them."

Grant that we who are assembled here, loyal proud citizens of a great nation, whose sacred task it is to illumine the darkened world with the reflected splendor of Thy teachings, and to strengthen the loyalties of Thy people everywhere, be equal to the hour of challenge and opportunity—that our solidarity with the people of that beleaguered land remain firm and steadfast, and that we be ever ready to respond in whatever manner necessary for the welfare of their just and peaceful future.

Strengthen the defenders of the Holy Land; grant them salvation and crown them with victory. Establish peace in the land and everlasting joy for its inhabitants.

Imbue the leaders of our great country and the representatives assembled at the United Nations with wisdom, moral rectitude and courage so that justice may prevail.

Guardian of Israel—preserve the remanent of Israel: Let not Israel perish who proclaims for all the world the eternal verity of Thy Being in the words Hear O Israel.

At the dinner the following petition was circulated to the guests and was signed by more than 740 guests of all faiths and all political affiliations:

PETITION TO THE PRESIDENT OF THE UNITED STATES OF AMERICA, LYNDON B. JOHNSON, TO ACT IN SUPPORT OF ISRAEL'S INDEPENDENCE AND INTEGRITY

We, the undersigned, Jews and Christians residing in Nassau County commend your forthright reiteration of America's commitment to the independence and integrity of the State of Israel and her rights to navigation through the Straits of Tiran.

It is on the basis of this solemn and unequivocal commitment that Israel voluntarily withdrew her forces in 1957 from Sinai and from Sharm el Sheikh. It is the creditability of this solemn commitment that is being challenged.

We therefore join with fellow Americans of all persuasions in urging you, Mr. President, to take immediate steps inside the United Nations and outside of it, to restore the freedom of innocent passage through the Gulf of Aqaba to all nations including Israel.

The peace of the world in the Middle East as elsewhere requires that America honors her commitments.

Mr. Speaker, the petition with these signatures was presented to me for delivery to the President of the United States which, accordingly I have dispatched to the White House.

Mr. Speaker, I join in this petition to the President and urge all Members of Congress and Americans of all faiths to endorse the President's forthright statement of May 23, 1967. We must in addition, urge our Government to give Israel all possible material assistance and political support to bring to an end once and for all, Nasser's policies of aggression and expansionism, designed to destroy the State of Israel, in a holy war.

Israel, an oasis in a desert of medieval feudalism, is the only bastion of democracy in the Middle East. The defense of Israel is in America's national interest.

Mr. Speaker, I would appeal to my colleagues in the Congress to urge the United Nations to push for direct negotiations between Israel and the Arab nations. This is so essential to the restoration of peace—for just as a skirmish can light the spark which starts a confrontation—the conflict can light the spark for a world war. Diplomatic channels which have not been successful of late in maintaining or in restoring peace in the troubled areas of the world must be made effective and the hands of our President must be strengthened to implement our Nation's commitment to the independence and integrity of the State of Israel and her rights to navigation through the Straits of Tiran.

We pray that diplomacy will succeed in the Middle East crisis—if it fails—we must not fail Israel.

The Fire Marshal Plan, a Program of Sustained Classroom Sixth Grade Education, as Conducted in Boston and Other Communities

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 5, 1967

Mr. McCORMACK. Mr. Speaker, for almost two decades I have followed with great interest a program that originated in my district in Boston and which, I am proud to say, has become known and adopted in many communities in the United States, and even adopted by other nations, such as Sweden.

It is known as the fire marshal plan, and is a sustained program of fire prevention by education conducted at the sixth-grade level. It is usually conducted by the local fire department in cooperation with the local schools. It is often sponsored by a local organization. In Boston the fire marshal plan has been sponsored by the Boston Board of Fire Underwriters.

However, many communities have the fire marshal plan so beneficial, not only for preventing fires but as an outstanding youth program, that the local fire and school departments have incorporated the slight cost of the program in their budgets. My information is that the cost averages out to approximately 30 cents per sixth-grade pupil, boys and girls, and a rule of thumb is that there is an average of 100 sixth-grade pupils for every 8,000 in population.

In other words, the cost for an average size community of 50,000 would be about $150. This is an extremely small cost in view of the proven reduction in loss of life and property where the fire marshal plan has been conducted.

Let me just refer to some sample reports from communities that adopted the fire marshal plan:

Watertown, Mass.: The Watertown Press in a full page feature story cited the following fire loss figures:

> The year before adopting the Fire Marshal Plan Watertown fire losses were $235,483. The first year under the program they dropped to $38,789. The second year they dropped to an all-time low of $19,332.

Warren, Ohio: The chamber of commerce reported in a survey of the results following the first year of the fire marshal plan a drop of 10 percent in fire losses and a 20-percent drop in number of dwelling fires.

Woonsocket, R.I., reported a 40-percent drop in fire losses the first year of the fire marshal plan.

Flint, Mich., has conducted the fire marshal plan for many years with outstanding success. I am sure my fellow Congressmen who have represented Michigan recall the visits to Washington, under the leadership of Deputy Fire Marshal Dennis Sullivan of the Flint Fire Department, of the boys and girls who performed so faithfully in this fire marshal plan.

Johnstown, Pa., reported that not only had the fire marshal plan reduced fires and losses from fire, but that it had so many beneficial effects as a youth program that it has been renamed "A Fire Prevention and Juvenile Delinquency Program." For years it has been conducted and paid for by the school department.

This factor of being an outstanding youth program has become the source of praise from many communities and from church and youth leaders. I would like to quote from an article written by Richard Cardinal Cushing, of Boston, in the diocesean paper, The Pilot, in 1964. Aware for many years of the effectiveness of the fire marshal plan, he has praised the program for its collateral values in teaching children respect for property and instilling at the most impressionable age a lasting sense of civic responsibility and participation.

In his article, he was praising in particular the achievements of "two Negro boys who organized their neighbors and for a period of several weeks succeeded in turning in, respectively, 3,492 and 2,974 credit slips for corrected fire hazards certified by fire department instructors."

Cardinal Cushing added—

> These are only two of almost 15,000 Sixth Grade Boston boys and girls who each year so enthusiastically win the cooperation of parents and other adults in eliminating fire hazards.

The significance of all this has become apparent because of the success of what is known throughout the United States as the Boston plan.

One of the most sensitive and gravest urban problems in recent years has been that of fairly and nondiscriminatorily providing fire insurance in substandard areas and which, unfortunately, have have been referred to as "tension areas."

The Boston plan was a means whereby fire insurance for these areas would not be denied merely because of being in such areas and would not be rejected at standard rates without prior inspection.

The program began on October 1, 1960. For almost 7 years it has been possible to provide fire insurance at standard rates—that is, avoiding any surcharge because of area—to over 95 percent of the risks that have requested inspection.

I wish to quote from testimony given to the Massachusetts Legislature as recently as April 1967:

> From Oct. 1960, when the program got underway, to the year-end 1966, the plan has inspected 22,131 properties, issued 28,274 fire policies for a total value of $184,983,000.

It was further pointed out that the plan had resulted in fewer fires and loss of life and property in these areas than would normally be expected, and that the Boston fire department had supported this conclusion. Credit was given to the residents for their cooperation. The point is that the fire marshal plan instructors devoted extra attention to these areas. The attitude built up by years of instruction to sixth-grade children, and through them to their parents, as Cardinal Cushing pointed out, had greatly reduced the number of fires.

As a result, the Boston plan has been cited by the insurance industry as the model plan for other troubled cities, and has been adopted by several cities. This is one more reason why we urge the adoption of a sustained education program at the best age, such as the fire marshal plan.

We need only to look at Sweden to appreciate the value and success of this type of program. One of the earliest enthusiastic advocates of the fire marshal plan was a longtime Boston Swedish consul, Arthur J. Anderson, who died a few years ago. He was noted for his many civic activities. In his visits to Sweden, and with other contacts, he supplied information about the fire marshal plan.

It may well be that Swedish officials developed the idea separately, but their success provides further evidence of its value. At the 93d International Association of Fire Chiefs Convention, attended by over 5,000, from all over the world, the feature address was given by Chief Sven Sonnerberg, president of the Swedish Fire Chiefs Association. In his address, entitled "A Modern Scandinavian Fire Department of Our Time," he credited this program for a remarkable reduction in fires and an almost complete elimination of false alarms.

False alarms have long been held to be an evidence of vandalism and improper respect for property. Sweden has adopted this program universally at the seventh-grade level. In America, the sixth-grade level has been the choice of most school officials, but otherwise the program and, more important, the results have been the same in demonstrating the great value and need of this sustained classroom education by uniformed fire department instructors.

It is true that in many communities firefighters visit schools, especially during Fire Prevention Week, and often they distribute material in the hope that it will be brought home and read by parents. But more than 20 years of successful operation of the fire marshal plan proves that to be most effective any effort

to educate schoolchildren must follow the well-established methods of our educational system.

This means that education must be directed at a certain grade. Our schools do not attempt to teach multiplication tables and algebra to the same age groups. Also, an effective fire prevention program must be taught in the classroom rather than in a school assembly of all grades. It must be sustained and taught by uniformed firefighters.

This places no extra burden on schoolteachers. On the contrary, to be effective the program must be the pupils' own program. It is centered around a key pupil designated as the room fire marshal. Hence the name of the program. Moreover, teachers have found that the interest generated by the visit of the uniformed firefighters can be directed most advantageously into general school work. This has happened so often that teachers have become the best advocates of the fire marshal plan.

I have brought this program up to date because the times and conditions in which we now find ourselves, such as the unrest, the tensions and, yes, the vandalism and wanton destruction of property, have given new value to this fire marshal plan which teaches at the best age a lasting sense of respect for property and a sense of civic participation.

It is for such reasons that in my State the Massachusetts State Chamber of Commerce has made the increased adoption of the fire marshal plan a major project. It has the support of such organizations as the New England Kiwanis, local chambers of commerce, local insurance groups, and many others.

I urge all to give serious thought to the adoption of this type of program in their own communities.

Why Our Nation Must Explore the Possibility of Adopting the Metric System

EXTENSION OF REMARKS
OF
HON. RICHARD T. HANNA
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 5, 1967

Mr. HANNA. Mr. Speaker, last week, after years of agonizing discussions, frequently punctuated by periods when it appeared that unbridgeable chasms existed between our Nation and the other countries participating in the GATT talks, an agreement was reached providing for the substantial reduction of tariffs between the world's developed nations.

Although there has been a general reluctance to impute too much to this monumental agreement, it is surely safe to suggest that even the most conservative isolationist would concede that the significant reductions achieved will eventually spell sizable increase in world trade. How substantial? No one knows and few dare estimate. Nonetheless, it is clear that marked progress has been made in facilitating international commerce.

As President Johnson pointed out:

> The barriers that fell at Geneva clear the way for great advances in trade.

Yet the great success at Geneva makes ironical the fact that our Nation has been so slow in taking the concomitant steps needed to assure it an increasing share of the world markets which will be opened. I make specific reference to a small yet very important study for which my able colleague, Congressman GEORGE P. MILLER, has called. This investigation is embodied in H.R. 3136, which is now pending action by the Rules Committee. H.R. 3136 would "authorize the Secretary of Commerce to make a study to determine the advantages and disadvantages of increased use of the metric system in the United States."

"What," you might ask, "has a bill to authorize a study to determine the feasibility of increased use of the metric system to do with increased trade?" Over 90 percent of the world's nations have in use or are in the process of adopting the metric system as their official standard of measurement. Many of these same countries have made the use of the inch-pound, the English system, illegal. More directly related to the query is the fact that in nearly all of the world's developed nations—France, Italy, Japan, Germany, and England, yes, even the nation which originated our current system—have adopted or are in the process of adopting the metric system. If our Nation's industries are to compete effectively in world markets, if our goods are to be serviced overseas, if, in short, we are to take full advantage of the favorable trade climate made possible by the successful Kennedy round discussions, we must begin moving toward the adoption of the metric system.

The economic benefits which would accrue to our Nation should we adopt this system are so significant that we cannot consider further delay in acting favorably on this piece of legislation. It was estimated, over a year ago, that the acceptance by our Nation of the metric system would increase by $10 billion the amount of our annual foreign sales. Exports last year totaled less than $30 billion. The extent to which this amount would be multiplied by the reduction of tariff barriers has not been estimated. However, there can be little doubt that the increase would be significantly in excess of the earlier estimate. This potential increase, in exports of over one-third, and the substantial benefits accruing therefrom are highly significant. The value of this increased activity would benefit American business, industry, and labor. In addition, it could be an important contributing factor to the amelioration of our increasingly critical balance-of-payments problem. These substantial benefits would warrant a sizable expenditure of funds should this be necessary. However, no such significant expenditure of funds is called for by H.R. 3136. The bill authorizes a first-year appropriation of only a half million dollars. In my view, these funds and the underpining that they will provide for the possible adoption of the metric system may well represent the best investment that this Congress can make in the future growth and development of our country's economic vitality.

There have been many charges that the conversion to the metric system would be so vastly expensive that it should not be considered. I counter on two fronts. First, by asking the rhetorical question: Can we afford not to consider adopting the system? In this vein, I would only point to the great potential markets that we exclude from ourselves by using the incompatible "English" system. Second, I submit that no convincing evidence has been prepared to document the cost of the transition. No one has established, to my knowledge, that machines have a "preference" for making parts only on the "English" system. The record is clear that the study proposed in H.R. 3136 would explore this dimension of the problem. Surely the existing evidence, sketchy as it is, is not sufficient to support a conclusive finding, especially when the benefits appear so great and for less money than our Government spends annually for measuring devices, we can fully explore the potential costs and benefits arising from the implementation of the metric system.

In concluding, I wish to reemphasize my view that this important bill, H.R. 3136, should be enacted promptly so that progress can be made in fully exploring the implications of adopting the metric system.

Immediate Cease-Fire in Middle East a Must

EXTENSION OF REMARKS
OF
HON. SPARK M. MATSUNAGA
OF HAWAII
IN THE HOUSE OF REPRESENTATIVES
Monday, June 5, 1967

Mr. MATSUNAGA. Mr. Speaker, the fuse has been lit. Who lit it is not the question with which we ought to be primarily concerned. Every effort should be first exerted to put the fuse out before it is too late.

Unless an early settlement is reached, the situation in the Middle East is more likely to explode into world war III than the conflict in Vietnam. It is my fervent hope that the United Nations Security Council will act with wisdom and dispatch to effect a cease-fire. If it fails to do so the usefulness of the United Nations as a peacekeeping organization will have ebbed to zero.

As responsible leaders of the most powerful member of that organization let us give full support to President Johnson's plea for immediate cease-fire action by the United Nations.