HOUSE CONSIDERS RESOLUTION URGING SENATE RATIFICATION OF THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, I call the attention of my colleagues to a resolution which has been introduced in the other House of Congress. As introduced on February 8, 1967, by Mr. SEYMOUR HALPERN of New York's Sixth District, House Resolution 231 reads:

Resolved, That it is the sense of the House of Representatives that the United States should ratify the Convention on the Prevention and Punishment of the Crime of Genocide, which the United Nations General Assembly recommended on December 9, 1948, be ratified by member states.

It is interesting that such a resolution should be introduced in the other body of the legislative branch. Article II, section 2, of the Constitution of the United States reads:

The President . . . shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, providing two thirds of the Senators present concur. . . .

It is the responsibility of this House, of the 100 of us who comprise the Senate of the United States, to give our consent to the ratification of the Genocide Treaty. And yet, because of our 18 years of negligence, of shirking our responsibility in this vital field of human relations, a Member of the other body has introduced a resolution designed to persuade us to take action. Mr. President, I congratulate Mr. HALPERN for his action. He is dead right, but such a resolution should not be necessary. We, in this body, should take pride in our constitutional responsibility, as granted in article II, section 2. We should not be forced into a position where the House calls us to task for our inaction.

Mr. HALPERN declared to his colleagues on February 9 of this year:

Under our Constitution the Genocide Convention and other treaties are matters for the Senate to resolve. But we in the House can take little comfort from this. The Senate has all but ignored this unfinished business. I urge House passage of my resolution calling for approval of the Genocide Convention.

Again, Mr. President, Congressman HALPERN is right, but such a resolution should not be necessary. We all know our responsibility. It is time we fulfilled the confidence our Founding Fathers had in us. It is time for the Senate to ratify the Genocide Convention.

RECESS UNTIL 10 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, if there is no further business to come before the Senate, I move, under the previous order, that the Senate stand in recess until 10 a.m. tomorrow.

The motion was agreed to; and (at 4 o'clock and 54 minutes p.m.) the Senate took a recess until tomorrow, Thursday, June 8, 1967, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate June 7 (legislative day of June 6), 1967:

INTERSTATE COMMERCE COMMISSION

Dale Wayne Hardin, of Virginia, to be an Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1972, vice Charles A. Webb.

Grant E. Syphers, of California, to be an Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1973, vice Abe McGregor Goff.

CONFIRMATION

Executive nomination confirmed by the Senate June 7 (legislative day of June 6), 1967:

APPALACHIAN REGIONAL COMMISSION

Fred B. Burke, of Michigan, to be alternate Federal Cochairman of the Appalachian Regional Commission.

WITHDRAWALS

Executive nominations withdrawn from the Senate June 7 (legislative day of June 6), 1967:

POSTMASTERS

The nomination sent to the Senate on March 13, 1967, of Hugh Heily to be postmaster at Columbus, in the State of Montana.

The nomination sent to the Senate on May 4, 1967, of Marian E. Tollefson, to be postmaster at Beltrami, in the State of Minnesota.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 7, 1967

The House met at 12 o'clock noon.

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

That He would grant you, according to the riches of His glory, to be strengthened with might by His Spirit in the inner man.—Ephesians 3: 16.

Our Father God, who art the light of life and the glory of every noble endeavor, we thank Thee for this quiet moment when facing important issues and carrying heavy responsibilities we can turn our hearts to Thee who alone can renew our strength and hold us steady amid the troubles of this time. In the secret place of the Most High may we find the resources we need for this high hour.

In all the perplexities of this period may we not lose our perspective and certainly not our poise. May the principles of freedom and justice upon which this Nation was founded still be our support as we face the challenge of this day. Grant that our faith may be triumphant over our fears, our courage surmount every discouragement and our loyalty to truth and good will be the solid ground upon which we walk together.

Strengthened by Thy spirit may we think clearly, plan creatively and act courageously. In the name of Christ we pray. Amen.

THE JOURNAL

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

UNITED NATIONS PEACEKEEPING IN THE MIDDLE EAST

Mr. OTTINGER. 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. OTTINGER. Mr. Speaker, I do not share the feeling of complacency that appears to be the general reaction to Israel's welcome military successes. The major issues remain to be resolved. Dangers still surround the situation. A satisfactory permanent settlement in the Middle East depends greatly on the position the United States will take on the substantive issues. The United States remains publicly uncommitted.

I am very apprehensive about the U.S. support of the Security Council's Middle East cease-fire resolution without any United States or Security Council commitment to resolve the basic underlying tensions in that troubled area.

I believe we should insist on a resolution for United Nations peacekeeping action which will go to the heart of the Middle East unrest, which will end the state of war which has been asserted by the Arabs as the excuse for closing the Suez Canal and the Straits of Tiran, resolve the plight of 600,000 restive Palestine refugees, and guarantee Israel's borders and international rights. Any United Nations peacekeeping action must be such that it cannot be canceled unilaterally by any party.

A truce which offers no solutions to the threats posed by Arab aggressions offers no hope for an enduring or meaningful peace.

SECRETARY OF AGRICULTURE FREEMAN HAS MEETINGS IN FARM AREAS

Mr. STEPHENS. 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 Georgia?

There was no objection.

Mr. STEPHENS. Mr. Speaker, yesterday when we debated the appropriation bill for the agricultural pursuits of this Government, criticism was made of the meetings that Secretary of Agriculture Orville Freeman had been making in the country.

The Secretary of Agriculture came to my district and to my hometown, Athens, Ga., on May 22. There was a meeting at that time and it was one of the finest agricultural meetings we have had in the State of Georgia and in our section.

I think instead of criticizing the Secretary of Agriculture for holding these grassroot meetings that he should be complimented for the work he has done.

I think one of the difficulties that we have as Members of the Congress is the fact that people who are responsible for the programs and responsible for the conduct of affairs in the administrative

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branches of the Government, and who are not elected, seldom come down and expose themselves to what the electorate is saying, like you and I have to do when we run for office.

I want to say that there were over 3,500 people who attended this meeting and only 30 were States ASCS personnel. They were from the States of Alabama, Florida, Georgia, Kentucky, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia. It was a most worthwhile event and I hope such a practice will be continued. I would like to see other Cabinet officials come down to my district and let the people who are being affected by their proposals and by their actions express themselves.

DESIGN FOR PEACE MUST BE WORKED OUT AS CAREFULLY AS THE DESIRE FOR PEACE

Mr. HANNA. 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 California?

There was no objection.

Mr. HANNA. Mr. Speaker, there have been many sober words expressed about the conditions that have had to be faced by this country and by the world in the events that have occurred in the Near East. But there is one lesson that I would like to emphasize as one person in this House, and that is the making of peace. There is no question about the great desire for peace; nor of the easiness of expressing that desire for peace. But the working out of peace is a very difficult matter.

So I would ask for a few moments of consideration by all the people of the United States for our President. You can now see what it is like to work for peace in a situation in which he must have working at the loom, as he weaves a peace, Nasser, De Gaulle, and Kosygin, with no design and no desire to work a design by those individuals.

So turn your faces farther toward the East and see where that other workshop of the weaving is to be done, and who does the President have to work by his side there? Mao Tse-tung and Ho Chi Minh.

Let us take a lesson from these times and realize that the weaving of peace takes the hands of all who should be in the shop, and the design for peace has to be worked out as surely as the desire for peace. I hope the American people have learned a significant lesson during these times. That their sympathies will be with their President as he seeks an agreement for a design of peace and as he earnestly solicits the cooperation of those who prefer recalcitrance and self-interest to world peace.

THE NEXT STEP IN THE MIDDLE EAST

Mr. FASCELL. 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 Florida?

There was no objection.

Mr. FASCELL. Mr. Speaker, this morning I wrote to President Johnson and to Ambassador Goldberg, congratulating them on the success of their efforts in bringing about the adoption by the United Nations Security Council of a resolution calling for a cease-fire in the Middle East.

The Security Council resolution is but the first step on the long road to peace in that area. In order to advance the cause of peace in the Middle East, I urged President Johnson to take the following actions:

First, to exert every effort through diplomatic channels in order to effectuate the cease-fire provisions of the Security Council's resolution;

Second, to initiate immediate discussions in the United Nations with a view to reestablishing a United Nations presence and a peacekeeping force in the Middle East, and

Third, to prepare the groundwork for the convening under United Nations auspices of an international conference to deal with the political issues which underly the Middle East conflict.

These political issues, in my opinion, must include—

First, acceptance by all concerned of Israel's right to exist as a nation, and respect for its people and territorial integrity;

Second, guarantee of freedom of navigation through the Suez Canal and the Straits of Tiran for the ships of Israel and of all other nations, or, the placing of both waterways under international administration;

Third, permit settlement of the border issues, including those relating to the status of the Gaza strip and Jerusalem; and

Fourth, agreement by all concerned on the principle of peaceful settlement of other disputes in the Middle East.

Mr. Speaker, I earnestly hope that these suggestions will help to advance our search for lasting peace, with justice, in the Middle East.

PERSONAL EXPLANATION

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

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

There was no objection.

Mr. REINECKE. Mr. Speaker, page 13899 of the CONGRESSIONAL RECORD for May 24, 1967, records me as having not voted on final passage of the Elementary and Secondary Education Amendments of 1967. The RECORD also shows me as having been paired against final passage with my distinguished colleague, the gentleman from Kansas [Mr. SHRIVER]. Mr. Speaker, I would like to have the RECORD reflect the fact that I was necessarily absent from the floor at that late hour due to the fact that I had to catch a plane for my home district in California in order to meet several official obligations there.

I left instructions with the pair clerk to pair me against final passage in event that the Quie amendments were not included in the final bill. Little did I suspect that many of these provisions would be included in the form of the amendments proposed by the gentlewoman from Oregon [Mrs. GREEN] and finally included in the final bill.

Mr. Speaker, I would like the RECORD to show that had I been present I would have voted for final passage of the bill. Although the measure does not include all of the amendments I had hoped for, it does take a major step in the right direction, and I would support that step.

A CEASE-FIRE

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

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

There was no objection.

Mr. MULTER. Mr. Speaker, once again I am happy to take the floor to commend our great President, Lyndon B. Johnson. His handling of the Middle East crisis was of the highest order of statesmanship. Ambassador Arthur Goldberg is also entitled to great credit for the manner in which he represented the United States in the United Nations. It is so easy for those who are not charged with the responsibility of negotiating delicate matters to have all the answers. Invariably they make the best Monday morning quarterbacks.

Once again, President Johnson has justified our confidence in him.

He served notice in advance that his country was committed to protecting the political and territorial integrity of the State of Israel, and that the blockading of the Strait of Tiran and the Gulf of Aqaba were acts of aggression.

In accordance with his promise, he has done everything possible within the United Nations to bring an end to the hostilities. The first step has been accomplished in calling for a cease-fire.

Unlike the Arabs, who are constantly threatening war and destruction, Israel asks for peace and has indicated that, when necessary, she will fight for peace. In accordance with the traditional cry, Sholom—peace, she has indicated that she will lay down her arms as soon as her enemies, who are bent upon her destruction, do the same. When the belligerents stop fighting, they can start talking—the talking that Israel has been begging for for so long.

The next step, and I am sure President Johnson can be counted upon to be among the first to take that step, must be the initiation of negotiations for permanent peace treaties in that area of the world with international guarantees—guarantees this time that will be enforceable against aggression in that area. The cessation of aggression must include the prevention of any further infiltration and terrorism. The international waterways

of that area, both the Suez Canal and the Gulf of Aqaba, must be kept open to all nations, including the State of Israel.

I am sure from here in we can take one page from the book of the Arabs, the page on which they wrote: "the friend of my enemies is my enemy." We want to be friends to all but let us stop being friends to those who would cut our throats.

ALCOHOLISM CARE AND CONTROL

Mr. MULTER. 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. MULTER. Mr. Speaker, I have today joined with our colleagues Mr. ROONEY, Mr. BINGHAM, and Mr. CAREY, in introducing a bill that would provide for a comprehensive program for the care and control of alcoholism.

Alcoholism is a major disease affecting people in all areas of these United States. Effective legislation dealing with the cause, treatment, and cure, is an absolute necessity if we are to have any hope of combating this serious problem.

A major provision of this bill would be to establish a Bureau of Alcoholism Cure and Control within the Public Health Service. The Bureau would serve as a clearinghouse for information and as a coordinator of various activities presently carried out within existing instrumentalities of the Government. The Bureau would further provide information and technical assistance to State and local governments in establishing programs and procedures in dealing with this problem, and would engage in basic research on the causes, treatment, and cure of alcoholism.

The bill also provides for grants to public and nonprofit agencies for demonstration projects including detoxification, treatment, and rehabilitation centers, and authorizes appropriations for this purpose through fiscal year 1971. Additional grants would be made to research programs designed to discover the best uses to which professional talent can be put for the care and control of alcoholics.

In addition the bill would establish a National Advisory Committee on Alcoholism Care and Control consisting of members appointed by the Secretary of Health, Education, and Welfare.

Mr. Speaker, the necessity of enacting this bill cannot be stressed too strongly. Alcoholism can no longer be considered a criminal offense but a disease whose effects have destroyed the bodies and minds of too many people. I strongly urge the support of our colleagues in enacting this bill.

POTENTIAL EFFECTS OF A NATIONAL RAIL STRIKE

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

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

There was no objection.

Mr. ALBERT. Mr. Speaker, a national railway strike at this time in the history of this Nation is unthinkable.

I ask unanimous consent, in this connection, to insert in the RECORD a letter from the Secretary of State and a letter from the Secretary of Defense to the President of the United States on this subject.

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

There was no objection.

The letters are as follows:

THE SECRETARY OF STATE,
Washington, D.C., June 6, 1967.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: I wish to express my deep concern at the possible interruption of our national rail system by a strike at this time. In my opinion, it is absolutely essential that our domestic transportation be maintained at full capacity during this present critical period in our foreign relations.

The continuing supply of our forces in Viet-Nam is heavily dependent upon our domestic rail system. They should have the highest priority. In addition, the United States is engaged in supplying essential goods in trade channels or as part of our assistance programs to other countries throughout Southeast Asia and other very vital areas in the world. Any interruption of these supplies in their movement to our ports could have the most serious consequences for our nation and for freedom in the world.

Further, the unfortunate hostilities which have erupted in the Middle East have created a new series of potentially heavy burdens on our economy. Fighting or political action may disrupt the movement of food and fuel to much of Europe and Asia. To the extent this occurs we will need our full resources to meet the contingencies which may occur.

In these circumstances, the United States simply cannot afford a crippling strike. All our strength will be needed to meet our obligations to our soldiers in Viet-Nam and to our friends and allies around the world. I hope and pray it can be avoided.

Respectfully,

DEAN RUSK.

THE SECRETARY OF DEFENSE,
Washington, D.C., June 6, 1967.

Memorandum for the President.

The Defense Department has just completed a review of the effects of a rail strike on our national security. I feel I must tell you that it is the unanimous opinion of the Joint Chiefs of Staff, Mr. Vance and me that acceptance of an interruption of rail movements of defense equipment and defense-related supplies at a time when we have 500,000 men engaged in military operations in the Pacific and simultaneously face a crisis of unpredictable dimensions in the Middle East would be an act of utter folly, an incredible evasion of our responsibility to our nation.

I realize these are strong words, but I know of no others to describe the effect on our military posture were rail transport of defense goods to be interrupted.

ROBERT S. MCNAMARA.

PERMANENT PEACE TREATY FOR MIDDLE EAST

Mr. GILBERT. 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. GILBERT. Mr. Speaker, I commend President Johnson and Ambassador Goldberg for the success of their efforts in securing the cease-fire resolution of the United Nations. The resolution is an important first step, but there is still a long road to final and lasting peace in this troubled area. A peaceful solution must be reached, Mr. Speaker, and I suggest and urge a permanent peace treaty with international guarantees.

A Middle East permanent peace treaty must include the following essential elements:

First. A guarantee of freedom of navigation through the Suez Canal and the Straits of Tiran for the ships of Israel and other nations. Second. A guarantee of political independence and territorial security and integrity of all nations in the area. Third. A permanent settlement of border issues and acceptance of Israel's statehood. Fourth. A guarantee against any further infiltration, terrorism, and threats of destruction by the Arab States.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 121]

Ashley	Everett	Pool
Ayres	Fulton, Tenn.	Resnick
Battin	Holland	Ruppe
Bell	Ichord	St. Onge
Bray	Jacobs	Saylor
Celler	Karth	Smith, Calif.
Clark	Long, La.	Thompson, N.J.
Dow	Nelsen	Williams, Miss.
Downing	O'Konski	Younger

The SPEAKER. On this rollcall, 407 Members have answered to their names, a quorum.

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

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 9029, MAKING APPROPRIATIONS FOR THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

Mrs. HANSEN of Washington. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on H.R. 9029, the appropriation bill for the Department of the Interior and related agencies.

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

There was no objection.

PUBLIC DEBT LIMIT

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 504 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 504

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10328) to increase the public debt limit set forth in section 21 of the Second Liberty Bond Act, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield the usual 30 minutes to the minority, to the very able and distinguished gentleman from Nebraska [Mr. MARTIN], and, pending that, I yield myself such time as I may consume.

Mr. Speaker, if I may have the attention of my colleagues, this is a very important matter we propose to consider today. As the reading of the rule by the Clerk discloses, it is a closed rule providing 4 hours of general debate.

Mr. Speaker, that will mean that when the general debate is over under the rule the only amendments which can be offered will be committee amendments. Of course, under the rule the minority or, in the absence of the minority, someone else who is opposed to the bill may offer a motion to recommit.

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

Mr. COLMER. I yield to my friend from Iowa.

Mr. GROSS. Since the House is to be circumscribed in its ability to work its will on this legislation, is it anticipated, to the gentleman's knowledge, that there will be any amendment or amendments on the part of the Ways and Means Committee?

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

Mr. COLMER. I am happy to yield to the chairman of the Committee on Ways and Means.

Mr. MILLS. Mr. Speaker, I know of no committee amendments to be offered.

Mr. GROSS. I thank the gentleman for yielding.

Mr. COLMER. The gentleman from Iowa is correct, and, of course, the gentleman from Arkansas also is correct. His committee has that privilege.

Personally, I am traditionally, as I believe the House knows, opposed to closed rules. I am particularly opposed to this one. I believe there ought to be some other people opposed to it who have joined in the request for it, who say that they would like to see it amended.

What will the bill do, in brief?

It will increase the ceiling on the national debt from the present $336 billion to $365 billion, an increase of $29 billion; and that notwithstanding the fact that the debt ceiling was raised three times last year and once already this year.

That is one thing the bill will do.

Another thing it will do is to provide for counting in the debt the certificates the Treasury sells for the year 1968.

I think this is a very commendable thing, because those certificates are national obligations and they should be included in the national debt. However, I raised a question in the hearings before the Committee on Rules. The question was, "If it were a good thing, then why limit it to 1 year; why not put it all in for the succeeding years?" The answer of the distinguished chairman of the Committee on Ways and Means, the very able gentleman from Arkansas, was that in effect—and I cannot quote him literally—they wanted to try it out. At any rate, I just want to commend the chairman of the committee and other members of the committee for taking this step to reflect the true picture of the national debt, to that extent at least.

I am not going to go into a detailed explanation of the bill, because the members of the committee will explain the bill in detail. I just want to go back for a moment and raise the question here with those who are here today, who have the responsibility for carrying out in an orderly fashion the Government of this young Republic. I want to pose the question. "Where are we going in our fiscal affairs?"

The table on page 2 of the committee report shows that in 1941 the national debt was $49 billion. As I said a moment ago, today it is $336 billion. This is in the short period in the life of the Nation of some 25 years. Now, of course, under this bill we increase it another $29 billion to $365 billion. In all of those years, as I recall it from memory, we have had only two balanced budgets notwithstanding the fact that in all of those years up to the shooting in Vietnam we have enjoyed the greatest peacetime prosperity and been burdened with the highest rate of peacetime taxes in the history of the Republic. One would think that prudent people, the Presidents of the United States of both parties during that period, the Members of Congress during that period, with their responsibilities, would have been trying to cut down that national debt rather than to increase it.

On the contrary, though, we have been throwing the taxpayers' money around like a drunken Santa Claus, both at home and abroad, until today we are faced with this very serious situation in the fiscal affairs of the country. We are told—and the argument will no doubt be made here today as it has been made elsewhere—that we are in a war and that we have been in a war now for some 3 years or more and that defense spending accounts for this.

Mr. Speaker, this is simply not true. The record shows that on the domestic front spending has increased in the 3 year period of fiscal 1965 to 1968 from $46 billion in 1965 to $66 billion in fiscal 1968.

Mr. Speaker, moreover I wish to call to the attention of the Members of the House an article which appeared in the reputable and authentic U.S. News & World Report of May 29, 1967, showing some figures on this subject. That article listed defense spending in 1961 at $44.7 billion. In 1967, due to the Vietnam situation, it had increased to $68.8 billion, representing an increase of $24.1 billion, or 54 percent. While on the domestic front with reference to the other budget expenditures, in 1961 the total was $36.8 billion. Six years later, in 1967, it was $58.7 billion, or an increase of 59 percent, in domestic spending.

Therefore, Mr. Speaker, we cannot charge this spending to the defense program, because the record shows—and I am sure that this is authentic—that we have spent at a greater rate on the domestic front than on national defense.

Now, Mr. Speaker, I have often referred to the fact that I ran for Congress the first time at the same time Franklin D. Roosevelt ran for the Presidency. Incidentally, at that time, both of us ran on an economy platform. At that time we were spending a little less than $4.5 billion with which to operate the entire Federal Government—the Post Office Department, the Congress, the Defense Department, and everything else.

Also I recall that Mr. Roosevelt called poor old Herbert Hoover a spendthrift, because he was spending that much money.

However, Mr. Speaker, today we are spending $14.4 billion—for interest alone on the national debt, or better than three times what it cost to operate the entire Federal Government 34 years ago.

Yes, I know that the argument is made by the "spenders" that the gross national product goes up and so why worry about the debt?

Well, I get very little comfort out of that line of logic, because I know somewhere down the line there has got to be a day of reckoning. In other words, there is a limit to the Government's ability to spend just as there is a limit to what a corporation or any businessman can spend.

It would seem this is a time in the affairs of the Nation that it should stop, look, and listen. We should take inventory and see where we are going. This concerns me very much.

Now, what accounts for this? What accounts for all of the domestic spending? We cannot sit here and point with the finger of scorn to the White House and say that the President of the United States is solely responsible for this situation. After all, we have our responsibility, we, the Members of Congress, authorize and appropriate the money.

Now, why has this domestic spending been constantly accelerated? It is because this Congress has been passing all of these new programs, whether they are Fair Deal, New Deal, or Great Society,

or whatever else they are designated. The Chief Executive cannot spend a dollar unless the Congress appropriates it.

Mr. Speaker, while I recognize my part of the responsibility for the fiscal situation we find ourselves in, I do want to point out, if necessary, to those who honor me here with their presence and their attention, that I have voted against most of these programs—I would say 90 percent of them. I recognize, as you must recognize, and you do recognize when you stop to think about it, that when a new program is started here it is going to be followed with the necessary appropriation to implement it, and furthermore that it is going to be accelerated as it goes along. But Mr. Speaker, as evil as deficit spending is within itself, the twin monsters that it creates are ruinous inflation and an all-powerful centralized Government in Washington at the expense of the States and deprivation of the liberties of the people. These are truly the great evils that flow from this deficit spending.

Oh, undoubtedly some of my colleagues are going to vote against increasing this debt limit here today, just as they have voted in the past, and yet most of the Members here a few days ago for the second time voted for a great gargantuan new program of Federal aid, general Federal aid, to education at a cost of some $6 billion.

I am not going to argue the merits of that, because I do not have the time here, except to say that the States, forgetting the evil of Federal control of education—the States are better qualified fiscally to take on that job and to carry it on than is the Congress of the United States or the Federal Government.

There is not a State in the Union that has anything near the proportionate debt of the Federal Government; and yet we are building up a sentiment back home—we are offering the carrot—to come to Washington and get what you need—and at the same time we are depleting the sources of revenue that the States could enjoy.

So it all winds up in one strong socialistic state. I do not know anything else to call it, if this trend is not reversed.

Now I have voted against every debt increase that has been brought to this House. I have not voted for one such debt increase and I voted against them on the theory that maybe somewhere along the line we might do a little soul searching and take a little of this inventory and see where we are. In the past I have reasoned that it might not be a bad idea to have a little chaos and confusion that we are told would ensue if the debt ceiling were not lifted—let some Federal employees go without their checks for a few days—to bring about a realization of the true situation as it exists in our fiscal policies.

You have another bill coming in here. It will be in in a few days or a few weeks at the most—the so-called poverty program. How the hearts will bleed around here for the poverty stricken people of the country. I yield to no one in trying to help people who really need help. But with all of the prosperity that the administration boasts of, with a bloody war being waged in Vietnam and the threat of another costly war threatened in the Middle East, I ask you is this really necessary.

Mr. Speaker, may I inquire how much time I have taken?

The SPEAKER pro tempore (Mr. NATCHER). The gentleman from Mississippi has consumed 23 minutes.

Mr. COLMER. Mr. Speaker, I will have to conclude my remarks shortly because I have promised time to my colleagues who want the opportunity to speak.

Mr. Speaker, I am very much concerned about this. As I say, I voted against most of these programs and against all of these debt limit increases.

Therefore it may come as a little surprise to some people that I propose to vote for this increase—as large as it is—as distasteful as it is—and not feeling responsible for it. Why am I going to vote for it? I am going to do it because I have voted for every dollar of appropriations that have been necessary to carry on this war in Vietnam and because I have voted to take the flower of the young manhood of this Nation and send them over there to that frontless and rearless war that is going on in Vietnam.

I am not going to take the responsibility for denying them whatever is necessary to defend themselves and win this war.

I would like to see a lower ceiling. Some of my friends to my left—and they are my friends, appeared before my committee asking for this closed rule, but at the same time saying that they wanted to cut it down. That does not make sense to me. I say to you now, my friends, I have never voted for a closed rule either. If you will offer the proper motion to vote down the previous question so that you can have an open rule and cut this down, I will go along with you.

Let me express this final thought. Let us assume our responsibility here. I expect you to vote just like I am going to vote: Vote your conscience. If your conscience tells you to vote differently from the conclusion I have reached, I expect you to do what you think is best for our common country. But if this country is worth fighting and dying for over there in the bogs of the ricelands, then it is worth fighting for here on the homefront.

Let us here and now, conscious of our responsibility, resolve to put our fiscal house in order lest we lose this young Republic on the home front while these precious boys are dying for it on the foreign front.

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

Mr. Speaker, House Resolution 504 provides for 4 hours of debate and a closed rule on H.R. 10328. As the able and distinguished chairman of the Rules Committee has just explained to you, this is a bill to increase the debt limit of our country to $365 billion.

I would like to call your attention to the fact that since 1961, the Congress has authorized increases in our debt limit 10 times; this is the 11th appearance of this legislation since 1961.

It is also interesting to note that in 1961 our temporary debt ceiling was $293 billion. We are being asked to increase this to $365 billion, or a net increase since 1961 of $72 billion.

Only a few months ago the Congress increased our temporary debt ceiling by $6 billion. Here we are, again today, considering the same legislation for an additional $29 billion increase, or a total increase in this year alone—and we have only covered about 5 months—of $35 billion. This $72 billion increase in the debt limit since 1961, Mr. Speaker, is the record of the New Frontier and the Great Society.

Why is it necessary to have this national increase of $29 billion, on top of the $6 billion which we had about 3 months ago? We are going to hear 4 hours of debate on this subject today. Undoubtedly one of the main points that will be stressed is the increased expenditures in the war in Vietnam.

But take a look at the report itself, Mr. Speaker, in regard to this. I quote from page 17 of the report:

> The level of domestic spending in the administrative budget alone—wholly apart from our defense requirements in the war in Vietnam—has increased from about $46 billion for fiscal 1965 to approximately $66 billion for fiscal 1968.

That is a $20 billion increase for nondefense spending, Mr. Speaker, in the last 3 fiscal years. Now I continue to read from the report:

> Two-thirds of the $28.3 billion increase in Federal expenditures from calendar 1963 through 1966—as measured in the national income accounts—is accounted for by nondefense spending. Moreover, as projected in the January 1967 budget message, over half of the proposed $37 billion increase in outlays from fiscal 1966 through fiscal 1968 is to be in nondefense programs.

The interest on our national debt today is over $14 billion a year. In testimony before the Ways and Means Committee, the Secretary of the Treasury, Mr. Fowler, stated that there was a strong possibility that our deficit for fiscal year 1968 could run from $24 to $29 billion. If we have an increased deficit in 1968 of the maximum figure of $29 billion, this is going to add approximately $1.5 billion to the cost of the interest we are paying, or a total interest payment of $15.5 billion for 1 year. This is the second largest item in our budget, next to the appropriations for the military. It seems to be the policy of the Great Society to go deeper and deeper into debt, saddling the burden of this debt and the increased interest charges on our children, our grandchildren, and future generations.

We, Mr. Speaker, Members of this Congress are responsible men and women. We have a responsibility to the taxpayers of the entire Nation. We in the Congress authorize the programs. We in the Congress appropriate the money. It is time, Mr. Speaker, particularly in view of the tremendous increase in the national debt which is asked for today, for the Congress to stop, look, and listen as to where we are going, as to what road we are going to follow now and in the future.

I favor the adoption of this rule.

I also favor, Mr. Speaker, sending this bill back to committee so that the committee can call up the administration

and the departments concerned downtown and request from them a complete reappraisal of the domestic and nondefense spending programs of our Government. Then, after this careful reappraisal has been made, they should come up to make recommendations in regard to the priorities as to which programs are more important than the others, to cut back on these domestic and nondefense spending programs so that our budget will get back into balance and we will not continually have to consider legislation such as we have before us today, to increase the national debt limit.

Mr. Speaker, I favor the adoption of this rule this afternoon.

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

Mr. CURTIS. Mr. Speaker, I of course favor bringing this legislation to the floor for the House to consider but, as I have in the past, I object to a closed rule. I believe it particularly inappropriate to have a closed rule on this legislation. We have not only the factor of judgment on how much the debt ceiling should be, on which the House should work its will after listening to the debate on both sides, but also the issue involved of this participation certificates, which involves a sale of capital assets, likewise a matter on which the House should be able to work its will after listening to debate.

There is a third area. I know it is particularly true there is interest of a number of people on the Democratic side of the aisle in this issue. It is the issue in regard to the interest ceiling on long-term securities.

I should like to have an open rule on that so I could have an opportunity of trying to persuade my colleagues, enough Members of the House, that the whole interest ceiling is working aflainst flexibility and lower interest rates and against lessening impediments on the money market for those who have to compete for capital. I know there are those on the other side who do not even want to do the liberalization which is provided in the bill.

But under a closed rule, of course, there is no opportunity for the House to work its will.

It is about time it be emphasized that when we remove the power of amendment we in effect have removed the power of debate. The House should recognize this.

There is no fiction that can be resorted to in this regard. I repeat, no fiction. When we consider a tax bill, the statement is made that it will open up the whole Internal Revenue Code. I regard that as a fiction. Now there is not even that fiction.

The only reason the House is going along with a closed rule—and I know it will—is because the Members have been lulled into this habit.

Frankly, I did not intend to take the floor to discuss this, because my views on this are pretty well known. The only reason I have is because the chairman of the Rules Committee, whom I honor, who is coming before us with this closed rule although he says he is against it, went on to talk about the inability of the House of Representatives to zero in on the serious question of balanced budgets and appropriations and expenditure policy.

Now, bottled up in the Rules Committee right now is the Monroney-Madden-Curtis bill, which came out of the bipartisan, equal Democrats and equal Republicans, Reorganization Committee. It was a special joint committee appointed some 2 years ago. A great bulk of the measure of reforms in the Monroney-Madden-Curtis bill constitute those in the area of improving our methods of handling appropriations and expenditures.

I do not know what is happening with the bill. I know the gentleman who is chairman of the committee on the other side of the Capitol who is deeply concerned in the appropriations process did a great deal of work in developing these techniques. I tried to help on it. This bill, again I repeat, is bottled up in the Committee on Rules. I pled with that committee not to duplicate the work that had been going on for 2 years by his Joint Committee on the Organization of the Congress. The excuse for sending that bill, which passed the Senate early this year, to the Committee on Rules was that the Senate put on a number of amendments which the joint committee had not considered. I agree that this was a proper reason. However, the Committee on Rules should have limited its concern to these amendments, to be sure that the House did not need hearings on this new matter that the special committee might not have gone into and which were put on the bill in the Senate. This plea was not heard. I do not know what the Committee on Rules is doing. It had only 1 day of hearings on the bill. I was not even able to get time to testify. However, I do know this bill is effectively bottled up. That is the reason why I took the floor today, I will say to the chairman of the Committee on Rules. I want to get that bill out on the floor of the House. Then maybe the House can do something in the future about appropriations and expenditures. Right now we do not have the legislative machinery to do the job.

Mr. MARTIN. Mr. Speaker, I ask unanimous consent that the gentleman from Arizona [Mr. RHODES] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. RHODES of Arizona. Mr. Speaker, as chairman of the Republican Policy Committee, I place in the RECORD the policy statement adopted:

HOUSE REPUBLICAN POLICY COMMITTEE STATEMENT ON PUBLIC DEBT CEILING—H.R. 10328

We are opposed to the Administration requested $29 billion increase in the Debt Ceiling. This increase, in addition to the $6 billion increase that was enacted less than three months ago, is the largest since World War II. It would establish a debt authorization of $365 billion.

Since 1961 the Democratic Administrations have embraced the philosophy of unlimited government spending and budget deficits. Budget subterfuge and gimmickery financing have become the trademark of the Great Society. Notwithstanding repeated and ever more urgent danger signals, the Johnson-Humphrey Administration has refused to place its fiscal house in order. It has consistently underestimated the cost of the war to avoid a cutback in nonessential spending.

In January 1966, the Johnson-Humphrey Administration submitted a $112.8 billion budget that proposed defense expenditures of only $60.5 billion. Immediately it became apparent that this was a totally unrealistic figure in view of the massive federal spending, the Administration continued to adhere to its original Budget. In fact, on September 8, 1966, the President not only reaffirmed the earlier Budget figure but assured the American people that total expenditures would be cut back by at least $3 billion. It was not until *after* the November elections that the American people were finally told the truth. In January 1967, when the Administration submitted its Budget for fiscal 1968, the Administration disclosed that fiscal 1967 expenditures would amount to $126.7 billion and not the $112.8 billion previously reported.

Incredible as it may seem, the Johnson-Humphrey Administration is again repeating the same misleading budgetary tactics. Last January, a deficit of $8.7 billion was forecast. Now the Treasury officially estimates that the deficit for fiscal 1968 will be $11 billion. However, the Administration is seeking borrowing authority to accommodate a deficit of $29 billion. Significantly the difference between the $11 billion estimated deficit and the $29 billion request is accounted for by the Secretary of the Treasury in the following manner:

"But as I have mentioned, the deficit in 1968 is vulnerable to greater than usual uncertainties, and we must take the account of these in determining a prospectively secure debt limit level to carry through fiscal year 1969.

"One contingency is that Vietnam spending could bulge well above the current estimate.

"Another is the timing of the passage of the tax surcharge.

"And still another is the possibility that corporate tax receipts would fall short of estimates."

It is more than mere coincidence that the "contingencies" alluded to by the Secretary of Treasury add up to $29 billion if the Administration is also unable to borrow an additional $5 billion through the sale of participation certificates.

Although the Administration is attempting to justify the fiscal plight of this country on the basis that the Vietnam War is a "costly war," the facts do not bear out this contention. The level of domestic spending in the administrative budget alone—wholly apart from our defense requirements in the war in Vietnam—has increased from about $46 billion for fiscal 1965 to approximately $66 billion for fiscal 1968. Two-thirds of the $28.3 billion increase in Federal expenditures from calendar 1963 through 1966—as measured in the National income accounts—is accounted for by non-defense spending. Moreover, as projected in the January 1967 budget message, over half of the proposed $37 billion increase in outlays from fiscal 1966 through fiscal 1968 is to be in non-defense programs.

Alarmed by the fact that "red ink" in the federal Budget could "burst all bounds," the Chairman of the Ways and Means Committee has stated:

"We must continually re-evaluate existing expenditure programs in the light of a very objective measurement of the benefits which they convey and the costs which they will impose. Every new program should be viewed not in terms of its first year cost alone, but in terms of what its cost will be five years from now, ten years from now or perhaps fifteen years from now."

The Republican Members of Congress and the Republican Policy Committee have repeatedly called for a cutback in nonessential spending and for honest reporting of antici-

pated government expenditures. We have opposed increases in the Debt Limit that did not provide basic budgetary reforms. In March of this year, a Republican Resolution was introduced which would return the Budget to the President and request that he indicate the places and amounts where he believes that reductions can be made. It was noted that the passage of a similar Resolution during the 85th Congress resulted in recommended reductions of $1.342 billion in a Budget of $73.3 billion. Unfortunately, the Democrat-controlled Congress in 1967 has refused to grant this Resolution any consideration whatsoever.

It is important that the Johnson-Humphrey Administration cut nonessential spending and place before this Congress an accurate estimate of projected defense costs. In addition, the Administration and the Congress may have to find additional sources of revenue that will cut the deficit to a manageable level. A deficit of the magnitude that is now contemplated is intolerable. It would further escalate prices and interest rates in what is already a seriously strained domestic economy. In April, the cost of living increased 0.3%. Another period of "tight money" similar to that experienced last Fall when interest rates soared to new heights is a grave possibility.

The ducking and dodging of the Johnson-Humphrey Administration which is typified by the vague and evasive testimony of the Secretary of Treasury must stop. Hard facts and realistic projections of future spending must be made available. If we are to avoid a runaway economy that may lead to governmental control of wages, prices and credit as well as further increases in taxes, there must be restraint in federal spending and an immediate implementation of expenditure priorities.

Mr. COLMER. Mr. Speaker, I yield 3 minutes of my time to the able gentleman from Texas [Mr. PATMAN].

Mr. MARTIN. Mr. Speaker, I yield the gentleman from Texas 5 minutes.

The SPEAKER. The gentleman from Texas [Mr. PATMAN], is recognized for 8 minutes.

A VOTE AGAINST PREVIOUS QUESTION ON THE RULE IS A VOTE AGAINST HIGH INTEREST RATES

Mr. PATMAN. Mr. Speaker, I want to thank the distinguished gentleman from Mississippi for yielding me this time.

I share his views about what he said awhile ago that is bothering him about fiscal affairs. I want to be specific rather than general. He made a wonderful speech. I wish he had an hour's more time, because this is a very difficult subject and one that should be resolved in a little better way in the Congress.

I think that the entire cause of the unbalance in our fiscal affairs is due to one thing—high interest.

Much of our national debt can be traced to high interest payments piled on top of high-interest payments.

In the next fiscal year, beginning on July 1, the U.S. taxpayers will be forced to shell out $14.2 billion just to pay the interest on the national debt for 1 year. This sum is second only to our expenditures for defense needs. Each year this sum grows.

Mr. Speaker, today the interest charges on the national debt are double what they would have been had the country maintained the interest rates prevalent under the Roosevelt and Truman administrations.

Had interest rates been kept at the levels existing in 1951, we would be paying only $7.5 billion on the national debt instead of $14.2 billion.

Mr. Speaker, this fact illustrates why the Congress must guard against higher interest rates. That is why I am so opposed to changing the definition of a Treasury note from 5 to 7 years. Treasury notes carry no limit on interest rates—no ceiling of any kind. Therefore, under this new definition of a note, the Treasury can market securities at any interest rate so long as they do not bear a maturity longer than 7 years.

Mr. Speaker, I will vote against the previous question on the closed rule on this bill because I am opposed to this provision for higher and higher interest rates. A vote against the rule on H.R. 10328 is a vote for lower interest rates. Mr. Speaker, an open rule on this bill would have given the House an opportunity to clearly voice its opinion on changing the definition of a Treasury note from 5 years to 7 years. We should have had a separate vote on this issue. Those interested in lower interest rates cannot help but be deeply concerned about increasing the authority of the Treasury to market more and more securities at higher and higher interest rates.

It is time that this Congress started protecting the American people against high interest rates and usurious interest rates. It can be done if the Congress will take up its responsibility.

Mr. Speaker, when William McChesney Martin became Chairman of the Federal Reserve in 1951, the country had experienced 12 long years—through times of depression, through times of war, and through times of extreme inflationary pressures—of stable interest rates maintained by cooperation between the Federal Reserve and the Democratic administrations—both at that time working in the public interest. During these 12 years—a period of varied economic conditions—interest rates on long-term Government obligations never did climb above 2½ percent. And during most of this period, the interest rates were actually well below the 2½-percent figure. Short-term interest was actually as low as three-eighths of 1 percent.

Now these were the conditions that Mr. Martin inherited when he became Chairman in 1951. He maintained this beneficial policy—a policy which saved the country billions and billions of dollars—throughout the remainder of President Truman's term.

As soon as the Republicans came into power in 1953, the manipulation started. Martin and the Republicans got rid of one issue of long-term obligations at 2⅜ percent in early 1953—just to take the heat off and to delude people into thinking that they would continue the low-interest policies of the Democratic administrations.

But it was not long before Mr. Martin and Secretary of the Treasury George Humphrey figured a way to jack up interest rates. In fact, on May 15, with Eisenhower in office less than 4 months, Martin and Humphrey got together on another long-term issue which went for 3.25 percent. Now, they did not actually need the money at this time, but they wanted to sell the bonds at this higher interest rate for the purpose of breaking the Democrats' 2½-percent line.

This manipulation of the long-term market on Government obligations was the break in the dike which has brought us a flood of higher and higher interest rates. We are now reaping the sad and tragic consequences of this Martin-Humphrey-Eisenhower policy.

Mr. Speaker, I would like to place in the RECORD a table, taken from the records of the Federal Reserve, which plainly shows what has happened to yield on long-term Government obligations. This data is regarded as significant in judging the Federal Reserve's performance in protecting the public interest in the money markets. The table plainly shows that during the Democratic administrations, from 1939 to 1952, we kept yields on these bonds near 2½ percent. But look at the years after 1952, and you will see what William McChesney Martin has done to the Government bond market and to the country.

Yields on long-term Government bonds, by months, 1939 to present

[Percent per annum]

Year	Yield
1939	2.36
1940	2.21
1941	1.95
1942	2.46
1943	2.47
1944	2.48
1945	2.37
1946	2.19
1947	2.25
1948	2.44
1949	2.31
1950	2.32
1951	2.57
1952	2.68
1953	2.94
1954	2.56
1955	2.84
1956	3.08
1957	3.47
1958	3.43
1959	4.08
1960	4.02
1961	3.90
1962	3.95
1963	4.00
1964	4.15
1965	4.12
1966	4.65

Mr. Speaker, this table clearly indicts the policies of the present Chairman of the Federal Reserve. These are irrefutable facts. To allow interest rates to have climbed in this manner can be the result of only two things—either gross incompetence or behind-the-scenes manipulations. These rates did not go up by themselves; they went up bcause Mr. Martin and his allies in the big business world—mainly large banks—wanted it to happen.

These manipulations have added at least $43 billion in excess interest charges on the national debt since 1951. In other words, this would be $43 billion worth of the taxpayers' money that could have been saved if interest rates had been kept at the levels existing during the Democratic years from 1939 through 1952. I do not have to remind anyone here what $43 billion would do for the country if spent for some productive purposes other than paying excess interest to a handful of big bankers.

This $43 billion is just the beginning of the story. More than $200 billion in excess interest charges taken out of the pockets of the consumer can be traced

to Mr. Martin's policies. We cannot turn our backs on such a gross betrayal of the public trust.

Mr. Speaker, I would like to place in the RECORD two tables which establish and prove the figures I have cited. Table I shows the excess interest charges on the net public and private debt. The table compares the interest costs compounded at the 1951 rate with the actual interest costs that have been paid as a result of the Martin increases. Table I follows:

TABLE I.—*Net public and private debt, total interest paid, and average rate of interest in the United States, 1951–66*

Year	Total debt (in billions)	Interest paid (in billions)	Computed average interest paid (3÷2)	Interest costs figured at 1951 computed rate
(1)	(2)	(3)	(4)	(5)
1951	$524.0	$17.8	3.397	$17.8
1952	555.2	19.7	3.548	18.9
1953	586.5	21.9	3.734	19.9
1954	612.0	23.7	3.873	20.8
1955	672.3	26.0	3.867	22.8
1956	707.5	29.8	4.212	24.0
1957	738.9	34.0	4.601	25.1
1958	782.6	36.0	4.600	26.6
1959	846.2	40.8	4.821	28.7
1960	890.2	45.7	5.134	30.2
1961	947.7	48.4	5.107	32.2
1962	1,019.3	53.4	5.238	34.6
1963	1,096.9	59.8	5.452	37.3
1964	1,174.3	66.5	5.663	39.9
1965	1,270.3	74.0	5.825	43.2
1966 [1]	1,368.3	82.7	6.044	46.5
Total		680.2		468.5

[1] Estimated.

Note.—See the following table:

Total col. 3	$680.2
Less total col. 5	−468.5
Excess cost	211.7

Source: Economic Report of the President, 1967.

Table II shows the same comparison in relation to the total interest paid on the Federal debt. Like table I, the comparison is between the interest cost compounded at the 1951 rate versus the actual payments resulting from the Martin increases. The unnecessary increases imposed by Martin have actually amounted to $43,200 million in excess interest charges as this table shows:

TABLE II.—*Total Federal debt and interest paid, fiscal 1951–68*

Fiscal year	Total Federal debt (in millions)	Total interest paid (in millions)	Computed annual interest rates	Computed interest cost at 1951 rate (in millions)
1951	$255.3	$5.7	2.233	$5.7
1952	259.2	5.9	2.276	5.8
1953	266.1	6.6	2.480	5.9
1954	271.3	6.5	2.396	6.1
1955	274.4	6.4	2.332	6.1
1956	272.8	6.8	2.493	6.1
1957	270.6	7.3	2.698	6.0
1958	276.4	7.7	2.786	6.2
1959	284.8	7.7	2.704	6.4
1960	286.5	9.3	3.246	6.4
1961	289.2	9.0	3.112	6.5
1962	298.6	9.2	3.081	6.7
1963	306.5	10.0	3.263	6.8
1964	312.5	10.7	3.424	7.0
1965	317.9	11.4	3.586	7.1
1966	320.4	12.1	3.777	7.2
1967 [1]	327.3	13.5	4.125	7.3
1968 [1]	335.4	14.2	4.234	7.5
Total		160.0		116.8

[1] Estimated.

Source: Economic Report of the President, 1967.

We probably will never know the total cost of these higher interest rates. During the period since 1951—and particularly in the Eisenhower years—our economy has often been plagued by underutilization of resources, unemployment, and wastefully idle industrial capacity. It is true that the Vietnamese war has, in many areas, pushed the country to full use of its industrial capacity, but this is an unusual situation for which the Federal Reserve could hardly claim credit.

But it is a fact that during the Eisenhower years, the Federal Reserve's policies led directly to three recessions and to high unemployment and to an extreme waste of the country's resources.

Mr. Speaker, to illustrate this point, I quote from the 1967 Economic Report of the President:

> Because of the excessive unemployment and idle capital in previous years, the Nation sacrificed the opportunity to consume and invest a large amount of the output that it was capable of producing. At the trough of the recession in the first quarter of 1961, the "gap" between actual and potential GNP amounted to $57 billion (1966 prices). From 1958 to 1965, the cumulative gap totaled $260 billion.

These are the conclusions of a distinguished group of economists who make up the Council of Economic Advisers. Their findings clearly illustrate the severe and permanent damage that Mr. Martin's policies have brought to the United States.

I cannot overemphasize what the policies of the Federal Reserve Board have done to the programs enacted by the Congress. High interest rates in many areas—particularly in housing and education—have negated much of the effort of progressive Congresses. We have seen high interest rates wipe out more housing and more school buildings than we could ever possibly build through Federal appropriations.

Of course, the rising cost of interest on the Federal debt is placing all programs and the entire Federal budget under heavy pressure. Today, thanks to the policies of Mr. Martin, we are paying $14.2 billion in interest on the national debt. This is second only to the outlays for national defense—it surpasses every other item.

The housing industry, as a result of Mr. Martin, is in a depression. I have been concerned directly with housing for many years particularly the homebuilding industry, the construction trades, the savings and loan institutions, the furniture and appliance manufacturers and dealers. All of these industries have shared in this depression.

The loss of these housing units in 1966, and in the early months of this year, have set the country back years in its efforts to wipe out slums and to provide decent housing for its citizens. It has cost the average homeowner thousands of dollars in added interest charges.

A 1-percent increase in interest charges on a $20,000 home loan costs the buyer $4,734 over 30 years. Most home loans have gone up from 1 to 2 percentage points since the December 1965 action of the Federal Reserve. So this means that in most cases, the homebuyer has shelled out anywhere from $4,800 to $10,000 in extra charges. With the national median income something less than $5,000, this means that the average person will be contributing at least 1 and probably 2 years' wages just to pay extra interest charges imposed by that single act of the Federal Reserve.

The situation in the housing industry is dramatic. But the same conditions exist to some degree throughout the economy. The 37½-percent increase imposed by the Federal Reserve on December 1965 raised the cost of all products in the economy. So the consumer paid, and paid heavily, every time he made a purchase in 1966, and he is still paying for the Federal Reserve's folly in 1967. By increasing prices, the Federal Reserve fanned the fires of inflation.

The club of high interest rates has fallen unevenly on the economy since December 1965, creating especially heavy burdens for the low- and middle-income families. The monetary situation since December 1965 has been a burden on the poor and a bonanza for the rich.

Mr. Speaker, there are many in the House who shed crocodile tears over spending. All of us here are opposed to wasteful spending and fiscal mismanagement. But I wonder why those who complain the loudest about spending, say so little about high interest rates.

As I pointed out earlier, interest charges—$14.2 billion—are the largest single item in the Federal budget for next fiscal year outside of defense expenditures. I would suggest that those who are truly concerned about reducing the budget and saving the taxpayers money take on the cause of lower interest rates. Even a small cut in interest rates would save the taxpayers billions of dollars and would allow our defense and domestic programs to go forward without hindrance.

Let those interested in cutting the budget start the cutting where it would do the most good—on interest rates. If our Republican colleagues are really serious about saving money, then let them join the Democrats in a drive to lower interest rates.

Mr. Speaker, it says here in the debit ceiling bill that they are changing the name, the definition of notes—U.S. notes—so it will be 7 years instead of 5.

Mr. Speaker, an effort was made to lengthen it to 10 years and the Ways and Means Committee wisely brought it back to 7. But you are lengthening it to 7, and this means high interest for 7-year obligations. This particular increase is bad; it should be kept at 5 years. It is changing the entire concept of Government finance materially and substantially and leads us toward higher interest rates.

So when you vote to increase that period to 7 years, you are voting to allow higher interest rates on more of the national debt. There is no limit on securities up to 7 years. The sky is the limit. The lid or limit is taken off. You can sell these notes at a discount—15 percent, 20 percent, or 25 percent, or any amount. There is no restriction whatsoever on notes.

So, if you vote for this bill, like it is, you are forgetting the fact that low interest on Government securities would help this country more than anything else on earth. You are voting to perpetuate the highest interest rates we have had in the history of this Government.

So I ask my friends to consider this very carefully. I am going to vote against the previous question. I agree with my friend from Missouri [Mr. CURTIS], that this is the kind of bill that should be brought out under an open rule. Each Member has his own judgment on what should be done on these vital issues in Congress, and we will be denying them the right to vote their own judgment if we vote for this gag rule, and it carries; we will be denying our colleagues their right to vote their individual judgment on this bill.

Mr. Speaker, I think the previous question should be voted down, and then we could offer amendments to this bill. That is the only way we should proceed on this, we should debate these things.

CONGRESS SHOULD PROTECT THE AMERICAN PEOPLE BY CANCELING $45 BILLION WORTH OF BONDS HELD BY THE FEDERAL RESERVE

I would also prefer an open rule on this bill so that the House could work its will on some of the absurdities of our national debt.

I refer specifically to the $45 billion worth of bonds residing in the vaults of the New York Federal Reserve Bank. I seek an open rule so that the Members could decide, once and for all, how this huge sum should be handled. I cannot believe that my colleagues—on both sides of the aisle—would condone a system whereby the American people are required to pay a debt twice.

That is exactly what is happening so long as we allow the Federal Reserve System to continue to hold this $45 billion worth of bonds and to require the American taxpayers to pay $1.9 billion in interest each year.

Mr. Speaker, these bonds have been paid for once. They have been paid for through the exchange of non-interest-bearing Federal Reserve notes for interest-bearing Government securities. They have been paid for in full. No one can refute that statement. I would be happy to yield to anyone on this floor to present any evidence of any kind to the contrary.

Mr. Speaker, the fact that these bonds have been paid for once cannot be refuted.

Mr. Speaker, I have through the years questioned dozens of officials of the Federal Reserve System all the way from the days of Marriner Eccles to the regime of William McChesney Martin. All of them agree that these bonds have been paid for in full. Nearly 2 years ago, I conducted hearings on H.R. 7601, a bill which would have required that most of these bonds be canceled and retired. I had William McChesney Martin before the committee as a witness for most of one morning. He admitted—without any ifs, ands, or buts—that these bonds had been paid for once. I quote from the hearing record of July 6, 1965:

Mr. MARTIN. The bonds were paid for in the normal course of business.

The CHAIRMAN. That is right.

Mr. MARTIN. And that is the only time they were paid for.

The CHAIRMAN. Just like we pay debt with checks and credit.

Mr. MARTIN. Exactly.

The CHAIRMAN. In the normal course of business they were paid for once. You will admit that, will you not? They were paid for once and that's all?

Mr. MARTIN. They were paid for once and that's all.

The CHAIRMAN. That's right.

To my knowledge, no one has questioned the obvious—that these bonds have been paid for once.

Therefore, Mr. Speaker, these bonds should be retired and subtracted from the national debt.

The collection of this $45 billion worth of paid-up bonds is one of the monstrous frauds of our Federal Reserve System. These bonds have been piled up as part of the Federal Open Market Committee's portfolio, which is operated and controlled out of the New York Federal Reserve Bank.

Each year, the Federal Reserve System—basking in the glory of its seized independence—sends the U.S. Treasury a bill for $1.9 billion in interest on these bonds—again, bonds that have been paid for once and the U.S. Treasury obligingly sends off the check for $1.9 billion.

Mr. Speaker, can anyone on this floor support the idea of paying interest on an obligation that has been completely paid up? I know of no parallel anywhere. Does anyone continue to pay interest to their bank after they have paid for their automobile in full?

This is an absurd situation which the Congress has allowed to develop through the years. Mr. Speaker, it would indeed be difficult for any Member of this body to explain to the American voters just why we have allowed this to go on. I don't think there is a congressional district in this country where the people—regardless of their political leanings—would approve of paying a debt twice.

This is just like an individual who engages a broker to pay off his mortgage, and then finds that the broker, after paying the mortgage holder, has retained the mortgage for himself, continuing to collect the interest, and asserting the right to come around and collect the principal again when the mortgage matures.

Is this the kind of ridiculous position that the Congress wants to present to the American people? Mr. Speaker, the American people are also curious about what the Federal Reserve System does with the $1.9 billion it receives in interest each year. Unfortunately, none of us—although we are public servants, supposedly watching over the activities of the Federal Government—can give them this answer. In fact, no one can provide the answers except the handful of insiders within the Federal Reserve System itself.

As my colleagues know, the Federal Reserve is not audited. The Federal Reserve and its lobbying ally, the American Bankers Association, have consistently opposed an audit by the General Accounting Office. The GAO cannot look at the books of the Federal Reserve despite the fact that it audits every other Government department and agency. Does it not seem strange that the Federal Reserve—with all of this huge sum of money—is exempt from the scrutiny of the GAO? Does that not raise questions in the minds of every Member of this House?

Of course, the $1.9 billion of unaudited funds provides the Federal Reserve with a huge slush fund. This money is not appropriated; it is just paid by the U.S. Treasury as interest on those paid-up bonds.

There are many on this floor who jealously guard the Congress' prerogatives in the area of appropriations. Most of us regard the appropriations process as an important means by which the Congress can serve as a watchdog over the Federal Government and its use of the people's money. Yet, we abandon the people and refuse to serve as an overseer of the use of money—the people's money—by the Federal Reserve. We abdicate our role and again, I say this is a fact that would be hard to explain to most American voters.

How do we justify letting a Government agency—the Federal Reserve System—use $1.9 billion without the remotest kind of check by this Congress? It is obvious that we are not doing our duty.

Through the years, I have been able to discover a few of the activities for which the Federal Reserve has been using the people's money. For example, I have discovered in hearings that the Federal Reserve spends $90,000 in dues to State, local, and national banking associations each year. In other words, the Federal Reserve uses the people's money—taxpayers' funds—to pay the American Bankers Association to come up here and lobby the Congress.

They pay the ABA to come to Capitol Hill and lobby to keep the books of the Federal Reserve unaudited and to keep this slush fund flowing into their coffers. They pay to have the ABA lobby against the cancellation of the $45 billion worth of paid-up bonds.

To my knowledge, the Federal Reserve System is the only Government agency that is given money to pay a lobbying organization. The Federal Reserve is the only agency of our Government that is a dues-paying, card-carrying member of a full-fledged lobby.

Mr. Speaker, the $90,000 to the American Bankers Association and the other lobbying organizations is only a small part of the wasteful expenditures of the Federal Reserve System. In 1964, the Banking and Currency Committee had extensive hearings under the general title of "The Federal Reserve System After 50 Years." I quote from the staff report on these hearings of August 25, 1964:

In addition, testimony given before the subcommittee indicated that despite the System's internal audits and reviews of same, its remarkable freedom from any external public audit has led to many questionable expenditures. A random sample by the committee staff of the System's expenditure vouchers reveals such items as $4,697.61 for an employees' dinner, including $125 for a comedian and $435 for an orchestra; $462.59 for an employees' bowling banquet; a contribution of over $5,000 to a local chapter of the American Institute of Banking; and $5,350.35 for a luncheon given by the New

York Federal Reserve Bank for the New York Bankers Association at the Waldorf-Astoria. No expenditures of these kinds without congressional approval would be allowed in the case of other Government activities subject to the Budget and Accounting Act.

Mr. Speaker, this is what happens when we allow the Federal Reserve System to continue to draw massive interest on the $45 billion worth of paid-up bonds. We cannot justify such a system and we should face up to our responsibility and cancel these bonds.

In conclusion, Mr. Speaker, let me ask the House three basic questions concerning the $45 billion worth of bonds:

Why should the American taxpayers be compelled to pay interest on bonds that have already been paid for in full?

Why should the American taxpayers be required to pay for these bonds again?

Why should these bonds continue to be charged against the national debt when they have already been paid in full?

The SPEAKER pro tempore (Mr. NATCHER). The time of the gentleman from Texas has expired.

Mr. MARTIN. Mr. Speaker, I have no further requests for time.

Mr. COLMER. Mr. Speaker, I move the previous question.

The SPEAKER pro tempore (Mr. NATCHER). The question is on ordering the previous question.

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

Mr. PATMAN. Mr. Speaker, on that I demand a division.

Mr. GROSS. 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 291, nays 99, not voting 43, as follows:

[Roll No. 122]

YEAS—291

Abbitt
Adair
Addabbo
Albert
Anderson, Ill.
Anderson, Tenn.
Andrews, N. Dak.
Arends
Ashley
Aspinall
Barrett
Bates
Belcher
Berry
Betts
Biester
Blackburn
Blatnik
Boggs
Bolling
Bolton
Brademas
Brasco
Brooks
Broomfield
Brotzman
Brown, Ohio
Broyhill, Va.
Burke, Fla.
Burke, Mass.
Burleson
Burton, Calif.
Bush
Button
Byrne, Pa.
Byrnes, Wis.
Cabell
Cahill
Carter
Casey
Cederberg
Clancy
Clawson, Del
Cohelan
Collier
Conable
Corbett
Corman
Cowger
Cramer
Culver
Daddario
Daniels
Davis, Ga.
Davis, Wis.
Dawson
de la Garza
Delaney
Dellenback
Denney
Dent
Dickinson
Diggs
Dingell
Donohue
Dowdy
Downing
Dulski
Edmondson
Edwards, La.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Fallon
Farbstein
Fascell
Feighan
Fino
Fisher
Ford, Gerald R.
Ford, William D.
Fraser
Frelinghuysen
Friedel
Fulton, Tenn.
Fuqua
Galifianakis
Gallagher
Garmatz
Gettys
Giaimo
Gilbert
Gonzalez
Goodell
Goodling
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gubser
Hagan
Halleck
Halpern
Hamilton
Hammer-schmidt
Hanley
Hanna
Hardy
Harrison
Harsha
Harvey
Hathaway
Hawkins
Hays
Hébert
Hechler, W. Va.
Helstoski
Henderson
Herlong
Hicks
Holifield
Horton
Hosmer
Howard
Hull
Hunt
Irwin
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Karsten
Kastenmeier
Kazen
Kee
Keith
Kelly
King, Calif.
Kirwan
Kluczynski
Kornegay
Kuykendall
Kyros
Laird
Landrum
Langen
Latta
Leggett
Lloyd
Long, Md.
Lukens
McCarthy
McClory
McCulloch
McDade
McDonald, Mich.
McEwen
McFall
McMillan
Machen
Madden
Mahon
Mailliard
Marsh
Martin
Mathias, Calif.
Matsunaga
May
Mayne
Meeds
Meskill
Michel
Miller, Calif.
Miller, Ohio
Mills
Minish
Mink
Monagan
Moore
Moorhead
Morris, N. Mex.
Morton
Mosher
Moss
Multer
Murphy, Ill.
Myers
Natcher
Nedzi
Nix
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill, Mass.
Passman
Patten
Pelly
Pepper
Perkins
Pettis
Philbin
Pirnie
Poage
Poff
Pollock
Price, Ill.
Price, Tex.
Pryor
Pucinski
Purcell
Quie
Railsback
Reid, Ill.
Reid, N.Y.
Reifel
Reinecke
Rhodes, Ariz.
Rhodes, Pa.
Riegle
Roberts
Robison
Rodino
Rogers, Colo.
Ronan
Rooney, Pa.
Rosenthal
Rostenkowski
Roth
Roudebush
Roush
Roybal
St Germain
Schadeberg
Scheuer
Schneebeli
Schweiker
Schwengel
Scott
Shipley
Shriver
Sikes
Sisk
Slack
Smith, Iowa
Smith, Okla.
Springer
Stanton
Steed
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stubblefield
Taft
Taylor
Teague, Calif.
Teague, Tex.
Tenzer
Thomson, Wis.
Tiernan
Tunney
Udall
Ullman
Utt
Van Deerlin
Vander Jagt
Vanik
Vigorito
Waggonner
Waldie
Walker
Watkins
Watts
Whalen
Whalley
White
Whitener
Widnall
Wiggins
Williams, Pa.
Willis
Wilson, Bob
Wilson, Charles H.
Winn
Wyatt
Wylie
Wyman
Yates
Young
Zablocki
Zion

NAYS—99

Abernethy
Andrews, Ala.
Annunzio
Ashbrook
Ashmore
Baring
Bennett
Bevill
Bingham
Blanton
Bow
Brinkley
Brock
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Buchanan
Burton, Utah
Chamberlain
Cleveland
Colmer
Conte
Cunningham
Curtis
Derwinski
Devine
Dole
Duncan
Dwyer
Eckhardt
Edwards, Ala.
Esch
Findley
Flynt
Fountain
Fulton, Pa.
Gardner
Gathings
Gibbons
Gross
Grover
Gude
Gurney
Haley
Hall
Hansen, Idaho
Heckler, Mass.
Hungate
Hutchinson
Jarman
Joelson
Jonas
Jones, Mo.
Jones, N.C.
King, N.Y.
Kleppe
Kupferman
Kyl
Lennon
Lipscomb
McClure
MacGregor
Mathias, Md.
Minshall
Montgomery
Nichols
O'Neal, Ga.
Ottinger
Patman
Pickle
Pike
Quillen
Randall
Rarick
Rees
Reuss
Rogers, Fla.
Rumsfeld
Ryan
Sandman
Satterfield
Scherle
Selden
Skubitz
Smith, N.Y.
Snyder
Stafford
Stuckey
Sullivan
Talcott
Thompson, Ga.
Tuck
Wampler
Watson
Whitten
Wolff
Wright
Wydler
Zwach

NOT VOTING—43

Adams
Ayres
Battin
Bell
Boland
Bray
Carey
Celler
Clark
Clausen, Don H.
Conyers
Dorn
Dow
Edwards, Calif.
Everett
Evins, Tenn.
Flood
Foley
Hansen, Wash.
Holland
Ichord
Jacobs
Karth
Long, La.
Macdonald, Mass.
Mize
Morgan
Morse, Mass.
Murphy, N.Y.
Nelsen
O'Konski
Pool
Resnick
Rivers
Rooney, N.Y.
Ruppe
St. Onge
Saylor
Smith, Calif.
Staggers
Thompson, N.J.
Williams, Miss.
Younger

So the previous question was ordered.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Smith of California.

Mr. St. Onge with Mr. Bray.

Mr. Holland with Mr. Morse of Massachusetts.

Mr. Everett with Mr. Saylor.

Mr. Evins of Tennessee with Mr. Bell.

Mr. Flood with Mr. Ayres.

Mr. Murphy of New York with Mr. Younger.

Mr. Morgan with Mr. Ruppe.

Mr. Macdonald with Mr. Don H. Clausen.

Mr. Celler with Mr. Battin.

Mr. Carey with Mr. Mize.

Mr. Staggers with Mr. Nelsen.

Mr. Clark with Mr. O'Konski.

Mr. Karth with Mr. Adams.

Mr. Boland with Mr. Williams of Mississippi.

Mr. Thompson of New Jersey with Mr. Ichord.

Mr. Jacobs with Mr. Pool.

Mr. Philbin with Mr. Dorn.

Mr. Edwards of California with Mr. Long of Louisiana.

Mr. Dow with Mrs. Hansen of Washington.

Mr. Foley with Mr. Conyers.

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

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

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10328) to increase the public debt limit set forth in section 21 of the Second Liberty Bond Act, and for other purposes.

The SPEAKER. The question is on the motion of the gentleman from Arkansas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 10328, with Mr. FASCELL in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Arkansas [Mr. MILLS] will be recognized for 2 hours and the gentleman from Wisconsin [Mr. BYRNES] will be recognized for 2 hours.

The Chair recognizes the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, the Committee on Ways and Means is back today with a bill dealing again with the very vexing subject of the ceiling on the amount of debt the Treasury, in the name of the

credit of the United States, may have outstanding at any given time.

Mr. Chairman, I am sure that my colleagues are aware of the gravity of the issues which are involved in this discussion today. However, permit me to remind them in the course of my remarks.

But before doing that let us look at our experience with debt limit earlier this year. I would like to have the Members, if they will, follow me by having at hand a copy of the report which has been filed by the Committee on Ways and Means to accompany this bill. The gentleman from Mississippi [Mr. COLMER], in presenting the rule for consideration of this measure, called attention to the fact that he had not in the past voted for increases in this ceiling, but that on this occasion he proposed to vote for this bill realizing, as he does, the very serious situation that faces the American people and the American Government at this time.

Mr. COLMER called attention to the fact that there is a table on page 2, which indicates a development which he does not like, a development which I do not like, and a development which the Members on the floor, I would say, do not like.

This table shows the growth in the public debt limitations in effect since 1941. At the beginning of World War II we had a permanent debt limitation of $65 billion. That rose in 1946, right at the end of World War II, to $300 billion. It was possible for us to reduce that by some $25 billion. In part this reduction would be made because we departed from the practice of counting securities at face value and converted over to the actual amount owed at the given time on these securities. In addition, we did not actually need during World War II all of the $300 billion provided by the limitation.

If the Members will notice, on August 28 of 1955 it became necessary for us to increase the public debt above the then permanent limit of $275 billion, and at that time we departed from the method we had followed up to that time in handling the debt. That is, instead of providing for a permanent increase, we provided a so-called additional temporary debt limitation.

If the Members will look down through that table, they will see that in some fiscal years it was necessary for the Congress to act as many as three times to adjust this temporary ceiling on the debt in order to enable bills coming due to be paid.

Earlier this year, the last time we had this matter before the House, the Members will recall, the bill provided a further $6 billion increase in order to enable the Treasury to pay the bills coming due in February and March and still stay within the ceiling.

In large part the additional expenditures which occurred were related to Vietnam. Most of us—although there were a few, perhaps, who did not—voted for the supplementals providing these additional expenditures for Vietnam.

The total of the additional Vietnam or defense expenditures, were, if I remember correctly, $9.7 billion.

We increased the debt ceiling however by $6 billion.

In connection with that bill, the other body decided in its wisdom in its Finance Committee to make that $336 billion a permanent debt ceiling and to do away with the temporary debt ceiling. They raised the $285 billion permanent ceiling to $336 billion and did away with the temporary ceiling.

It is a strange thing. It is only in the House of Representatives apparently where debt limits are decided by just a few votes. I do not know what the difference is, but on occasions when we have had some very warm discussions in this body, as I recall, debt limit bills have gone through the other body by lopsided votes. Anyway, the bill passed in the Senate on this occasion with the increase in the permanent ceiling, and we met in conference on it. The Senators receded from their position and agreed to go along with the House—making it temporary again—or $51 billion over and above the $285 permanent debt ceiling.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. BYRNES of Wisconsin. I think maybe the attitude of the other body on this matter might be a reflection of its attitude also on spending—which apparently passes that body with much less difficulty than in this body.

Mr. MILLS. Mr. Chairman, I understand my colleague's views on that subject.

At any rate, we in conference, the gentleman from Wisconsin and I and other members of the conference, I believe, made the same statement: that when the debt ceiling for the fiscal year 1968 was considered, we, the House members of the conference committee, would recommend to our other colleagues on the Committee on Ways and Means that we return to the more realistic approach of a permanent debt ceiling. That is one of the things we have done in this bill.

We have established a debt limitation this time which is concerned with the "permanent" ceiling rather than the "temporary" ceiling. The provision we made in the ceiling for a greater allowance for contingencies is consistent with the concept of a permanent ceiling. A temporary limitation intended for a single fiscal year, or for a portion of a fiscal year, appropriately contains little allowance for contingencies. A permanent limitation, on the other hand, must provide a greater allowance if it is to offer any hope of remaining in effect for a longer period of time than a temporary limitation.

Recent experience with the temporary debt limitation has shown that the procedure followed in establishing a temporary limitation makes it necessary to raise the debt limitation more than once during a given fiscal year whenever unexpected events occur. Often this means that the increases which occur during the fiscal year must be considered within a climate of imminent financial crisis. The debt limitation is more likely to be an effective control over nonessential spending when Congress has ample time to examine projected receipts and expenditures and determine an appropriate limitation.

I should also point out that the current permanent debt ceiling of $285 billion has very little meaning. The level of the public debt is now around $330 billion. All agree that it would be impossible to reduce the debt to $285 billion in a short period of time. As a result, having this unreasonably low permanent debt ceiling cannot have any real effect on our fiscal situation.

We are establishing in this bill a limit which we hope will remain in effect beyond the fiscal year 1968 if some of the contingencies I shall point out in a moment do not occur—and we all hope they do not.

Oh, a great deal has been said about the fact that we are proposing an increase of $29 billion over the present temporary ceiling of $336 billion.

If a person wanted to, I suppose he could also point out that we are raising the permanent ceiling from $285 billion to $365 billion. All of these things are completely accurate, but there is, I believe, a good explanation.

Let us then examine this question as to the appropriate level for the debt limitation in the period ahead.

When we studied this question in the Committee on Ways and Means, it was readily apparent that the problem this year is different and more complex than in years past. In the past, it was possible to proceed by obtaining estimates of receipts and expenditures from the administration and then providing a debt limitation based on these estimates together with a minimum allowance for contingencies.

We could have brought back a ceiling of $345 billion plus $3 billion for the normal contingencies. This is the practice we followed in the past. Had we been dealing with a temporary ceiling under the usual circumstances we would have done this. This could be computed from the data in the table on page 5 of the report. It points out the limit required on this basis for the beginning and middle of each month, assuming a $4 billion cash balance. That is the way we have operated in the past. That takes into account a deficit, according to the administration's changed estimates, of $11.1 billion instead of the $8.1 billion, I believe it was, which was estimated in January. We have come here and told you that is the best we could do. We could have said that was our best judgment. Then, we probably would be back here asking you for some relief from that situation by January of next year or perhaps even earlier.

Why? Let me point out that this year the contingencies are unusually numerous and potentially very large. Furthermore, they are related primarily to uncertainties over defense spending and the level of receipts. They do not involve uncertainties over the level of nondefense spending. The job we face is that we must provide an adequate allowance for these very real contingencies but at the same time make it clear that this allowance must not be used to enlarge our nondefense spending.

Mr. Chairman, let us begin by examining as objectively as we can the real contingencies with which we are faced.

Let us look at the table on page 7. First is the $3 billion contingency that we normally allow. You would want to include that, which would raise the $345.2 billion of requirements to $348.2 billion. If we were following the old practice of

trying to deal with a temporary ceiling, that is all we would allow.

One of the important contingencies which must be considered in fixing the debt limitation is the fact the administration's estimates assume $5.5 billion in receipts from legislation that has been proposed but as yet at least has not been enacted. Most of these receipts are tied to the 6-percent surcharge on individual and corporate income tax liabilities which the administration proposed to become effective on July 1 of this year.

Does anyone now believe that there will be such a proposal enacted and in law by July 1? The full amount of the revenue of such a proposal for the entire fiscal year is $5.5 billion. Certainly at this time at least we should not take these revenues into account.

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

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

Mr. GROSS. The gentleman is talking about contingencies. When do you propose to bring in a tax bill?

Mr. MILLS. At the proper time we will deal with that.

A second contingency relates to receipts under existing law. The administration currently estimates that receipts in the fiscal year 1968 will be roughly $120 billion without taking any proposed revenue increases into account. This estimate, however, is based on certain assumptions regarding the level of individual incomes and corporate profits. At this time, these assumptions are surrounded by more than the usual degree of uncertainty. I believe the Treasury estimates assume a corporate profit level of $83 billion for this year. I find there is wide agreement that corporate profits may well be considerably lower than this.

Our own staff of the Joint Committee on Internal Revenue Taxation tells us that, according to their estimates, the Treasury revenue estimates are $2.5 billion high. This is based on the somewhat lower estimate of $80 billions for corporate profits. The Treasury representatives when they were before us said that these estimates of the staff appeared to represent a reasonable allowance for this contingency. They did not quarrel with this figure. So that $2.5 billion has to be added to what you need in the coming fiscal year.

A third contingency concerns the subject of participation certificates which seems to be quite a live issue. The treatment of these certificates in the past has been not to treat them as debt, but rather as the sale of an asset. Therefore, they have not been included in the debt subject to limitation. However, if the proposed volume of certificates is not sold, Federal debt obligations subject to the limitation have to be issued to offset the expenditures that would otherwise occur.

In the January budget, the administration assumed that it would sell $5 billion of participation certificates during the fiscal year 1968. However, the House has already denied the authority to sell $2.4 billion of these participation certificates and has not yet expressed its view with respect to all of the remainder of this total. We, of course, do not know how Congress will finally dispose of this issue. But it is clear that the change in policy has gone far enough so that we must now make provision in the debt limitation for the possibility that Congress will not permit the proposed sales of participation certificates to take place.

That has to be added in then, does it not? The $5 billion for participation certificates. I am just using simple arithmetic that anybody can understand to see whether or not we are being realistic.

A fourth contingency concerns the level of military spending. While the administration can make estimates of military requirements 18 months in advance, the accuracy of these estimates ultimately depends, in no small part, on the actions of our adversaries. If they take aggressive steps which must be met with greater efforts on our part, military spending will necessarily be greater in the final analysis than it was initially expected to be.

While the administration presented its best estimates of defense spending for the fiscal year 1968 in the budget message released this past January—only 4 short months ago—there already have been indications that actual defense spending may be higher than the January estimates. One informed source, the chairman of the Senate Preparedness Investigating Subcommittee, has stated that he believes defense expenditures will be $4 to $6 billion above the January estimates.

Now I see my good friend, the chairman of the Appropriations Committee, on the floor, the man who knows as much—if not more than—anybody else, in my opinion, about what lies ahead of us in the case of military expenditures. If he has any quarrel in his own mind with what the chairman of the Senate Subcommittee on Preparedness has said some time ago, about how much more it would cost in his opinion to carry on the situation in Vietnam, I will yield to him.

I remember last year my friend from Texas called our attention to the fact that the budget then understated military expenditures by anywhere from $5 to $15 billion, and it turned out to be about $10 billion. Does the gentleman think we have enough in here for Vietnam already for 1968, or will it take more?

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I would be pleased to comment briefly with respect to this matter.

The House committee report of June 24 on the fiscal 1967 Defense bill last year made it clear that as the fiscal year proceeded, if combat operations should continue at a high level, substantial additional funds would be required. The report pointed out that the Defense Department had advised the committee that if the Vietnam war should continue, a substantial supplemental request for additional funds would be made when requirements could be more accurately computed. The regular fiscal 1967 request for defense funds was based upon the arbitrary budget assumption that the war would end on June 30, 1967. This was recognized at the time as being a purely arbitrary assumption for budget purposes and not a prediction that the war would end at that time. No one, of course, can predict when the war will end.

The situation is entirely different this year. The budget for fiscal 1968 assumes that the war will continue beyond the end of the fiscal year 1968. The Defense Department does not agree that an additional appropriation beyond what is requested in the budget for 1968 will be required for the war in Vietnam. Officials do, however, recognize that if the war should escalate beyond requirements anticipated and included in the January budget for 1968, then additional funds would be required.

I simply say that it appears to me that the war will very probably escalate and that additional funds will probably be required. But it would be impossible to now fix a meaningful figure as to any additional sums that might possibly be needed during fiscal year 1968 for the continuation of the war. The point is, that the budget assumptions underlying the 1968 budget for defense are entirely different from those underlying the 1967 budget for defense.

Mr. MILLS. Let me ask my friend from Texas: Are we as a Committee on Ways and Means being unrealistic if we provide a permanent ceiling high enough to accommodate a contingency of $5 billion of additional expenditures in Vietnam in fiscal year 1968?

Mr. MAHON. I believe that it is a very prudent thing for the committee to do and for the Congress to do, to provide this additional flexibility.

I say to the gentleman that while it is very disappointing to be called upon to vote for the legislation now pending, it seems to me we have no other responsible course to pursue under all the circumstances and I support the position of the gentleman from Arkansas in the matter.

Mr. MILLS. I thank the gentleman.

The contingencies I have listed are merely the more important ones now known to us. Other contingencies may arise. For example, the explosive situation in the Near East may require additional expenditures. Even the contingencies I have listed, however, add to a large total. As you will see from page 7 of the committee report, they add up to some $19 to $22 billion when the normal contingency allowance of $3 billion is included. Added to the peak debt of $345.2 billion currently projected by the administration for the fiscal year 1968, assuming a $4 billion cash balance, they result in a total ranging from $364.2 billion to $367.2 billion.

The committee recommends that the debt ceiling provided for the coming period be large enough to meet these contingencies should they arise. I wish to emphasize that the debt ceiling of $365 billion recommended by the committee does not include any allowance for the contingency that nondefense expenditures will be increased above the levels authorized by Congress. Should it become apparent that such spending is being increased above the levels covered by appropriated funds, the committee

will be in a position to review the level of the debt limitation to see whether it should be lowered to foreclose the possibility of any additional nondefense spending.

Now, Members of the House, this is a serious situation. The type of deficit which would be realized if all these contingencies occur clearly is too high for us to countenance in time of war—and we are in a war—assuming the economy will otherwise stand, without becoming stagnant or going downhill, an increase in taxes.

You know it, and I know it.

I have been withholding my own judgment about additional taxes for two reasons. I want to find out whether the Congress of the United States, in view of what is taking place throughout the world, will be able to make any sizable, material reductions in the rate of Government spending. Second, I want to find out whether the imposition of higher rates of taxes upon our people will produce additional revenues. If taxes are imposed on an economy when it is stagnant—or in a period of pause, as they refer to it now—it is entirely possible that tax rates could be imposed that would not have a desirable effect. I have not yet reached a determination on either of these questions.

When one looks at the budget projections for fiscal year 1968 he should bear in mind that the administration figure of an $11.1 billion deficit allows for no contingencies other than some relatively slight revisions in the January budget estimates. Without the $5½ billion of revenue involved in the 6-percent income tax surcharge and the speedup of corporate tax payments and with $2.5 billion less in receipts under existing law, the deficit would be $19.1 billion.

Even if one looks only at this last figure and does not allow for any other contingencies, it alone points the finger to the need for additional revenues.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Texas.

Mr. MAHON. I believe it would be fair to point out, with respect to the question of whether Congress is going to cut spending——

Mr. MILLS. I am not criticizing my friend from Texas. The finger is pointed at all of us.

Mr. MAHON. I am not raising that issue at all. What I want to say is that as of this date we have reduced the appropriation requests in bills passed by the House this session by about $1,750,000,000. Within the next few weeks we will have opportunities to make further reductions, and probably we could safely say that reductions will be made by Congress in appropriation bills this session to the extent—very roughly—of $2½ billion or more.

But even that would not all be reflected in a reduction in actual spending in fiscal 1968 so it is becoming apparent that Congress is not going to reduce appropriation bills and spending sufficiently to eliminate a deficit which appears to be unacceptable.

Mr. MILLS. My friend from Texas has been here slightly longer than I have. Both of us are aware that the job of holding down expenditures is not completed when we pass the regular appropriations bills. I have seen us make reductions in regular appropriations, and then turn right around before the fiscal year was out and vote for a supplemental that undoes what we initially did. Members know I am right. We have done it. We will probably continue to do it to some degree.

I am troubled that—and I want the membership to believe me—it would be very difficult for us in view of the existing level of economic activity, in my opinion, to so adjust the tax rates on individual and corporate incomes so as to bring into balance a budget that involves as much as $150 billion of spending under present conditions.

The CHAIRMAN. The time of the gentleman from Arkansas has again expired.

Mr. MILLS. Mr. Chairman, I yield myself an additional 5 minutes.

If the current rate of spending continues, as it looks like it will, we may lose the use of a vital policy tool in this country; that is, the adjustment of tax rates to serve long-range economic needs. We just cannot reduce taxes in such circumstances.

Mr. COLMER. Mr. Chairman, will the gentleman yield briefly to me?

Mr. MILLS. I will be glad to.

Mr. COLMER. The gentleman says he does not know where we are going or words to that effect. I am not trying to put words in his mouth. This is the same as the chairman of the Committee on Appropriations, the gentleman from Texas [Mr. MAHON], pointed out are his views with respect to this matter. Now let me ask my friend from Arkansas, the very able chairman of this Committee on Ways and Means and one of the most knowledgeable people in this whole Congress, if it is not a fact that if we want to stop this deficit spending, we are going to have to cut back, to retrench, and above anything else not start any more of these new and extravagant programs.

Mr. MILLS. Well, I think it is absolutely essential that we exercise a high degree of concern and caution with respect to new programs. My friend from Mississippi, I know, agrees that this country has never been able to carry on any sizable war and still go on at home as though we were not at war at all. You know it, and I know it. We cannot do that. If we try, this proposed $365 billion debt ceiling may perhaps not even be sufficient to carry us through this upcoming fiscal year. I hope it will for I hope these things will not happen.

I want you to think it through with me: Has the committee been unreasonable in the amount we fixed? It is really $360 billion if you take account of the required inclusion of FNMA participation certificates.

While $365 billion is the limitation requested by the administration, the treatment we have accorded participation certificates in this bill, in effect, reduces the debt ceiling by $4 to $5 billion below the level requested by the administration. Under the terms of the bill, participation certificates sold by the Federal National Mortgage Association during the fiscal year 1968 will be included within the total of the debt subject to limitation.

This action removes a source of uncertainty. As a result of this action, it will not make any difference as far as the debt level is concerned whether FNMA certificates are sold or they are replaced by the issuance of debt obligations. In the budget, the administration proposed the sale of $4 to $5 billion of FNMA certificates.

Including the sale of these certificates in the debt ceiling, however, has the effect of making $4 to $5 billion of the $365 billion of debt subject to limitation unavailable for general debt purposes, as it would have been under the general debt limitation proposed by the administration. Therefore, the effect of the bill is to provide a limitation lower than that for which the administration asked.

The FNMA participation certificates sold during fiscal year 1968 will be included within the debt subject to limitation as long as they remain outstanding. No change is contemplated, however, in the way these certificates are handled for accounting purposes in the Federal budget accounts. Nor is this provision intended to affect the nature of the Government's legal obligation with respect to these certificates.

In addition, this treatment of FNMA participation certificates does not necessarily represent the committee's view as to what constitutes the appropriate way of treating future issues and other currently outstanding issues of participation certificates. We intend to continue to study the question of how these certificates should be treated, and we will review any recommendations on this point made by the President's Commission on Budgetary Concepts.

These participation certificates are contingencies which I think we should take into consideration and make allowance for in the fixing of a permanent debt ceiling. If we were proceeding again with a temporary ceiling, I would say, "Oh, Congress will be here all fall and will be back early next year. Maybe we will want to legislate three times on this subject." But this permanent limitation offers the opportunity to take us, I hope, well into the fiscal year 1969 if not all the way through it. I certainly hope it will.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I will be glad to yield to the gentleman from Missouri.

Mr. CURTIS. The gentleman asked whether or not this was unreasonable. I think there is a final contingency that should be mentioned and one I sought to mention during our hearings and in our discussion; namely, the contingency of the executive branch of the Government resubmitting a budget on nondefense areas and cutting back in the nondefense spending. That is a contingency that the gentleman did not include.

I want to bring out in debate what I think honestly is a matter of choosing between your fiscal year and what we are recommending here; namely, this one contingency. That is all I am seeking to do.

Mr. MILLS. I agree with the gentleman. I think something needs to be done about controlling expenditures.

The CHAIRMAN. The time of the

gentleman from Arkansas has again expired.

Mr. MILLS. Mr. Chairman, I yield myself 5 additional minutes.

The CHAIRMAN. The gentleman from Arkansas is recognized for 5 additional minutes.

Mr. MILLS. We need to find a way to control expenditures. We cannot always leave this to the executive departments. Mr. Chairman, I have always been opposed to an item veto in appropriation bills, or otherwise. But I tell you one thing—if we are going to insist constantly upon the executive department doing something that we will not do here, I am going to join the advocates of the item veto.

Mr. Chairman, I would rather have the expenditure control provided by the legislature rather than give to the President and the executive carte blanche authority to cut wherever they want to cut. I just do not like that approach.

Mr. CURTIS. Mr. Chairman, will the gentleman yield further?

Mr. MILLS. I yield further to the gentleman from Missouri.

Mr. CURTIS. I think, Mr. Chairman, the gentleman from Arkansas is making a very proper point. There is no question that by having the President retrench in this way, it does constitute what the gentleman from Arkansas has said is a sort of an item veto.

But, Mr. Chairman, insofar as I am personally concerned, when there is not the discipline in this body—and certainly I have tried and have voted against appropriation bill after appropriation bill, and shall continue to do so—and when I feel that the survival of our country is at stake, then I will say to the Executive or to everyone else, let us cut back. This is the contingency to which I referred.

Mr. MILLS. My friend, the gentleman from Missouri wants to give the Executive more authority than I do.

Mr. CURTIS. I do not want to give authority to the Executive; I want to take it away.

Mr. MILLS. Mr. Chairman, certainly there are two things with which this Congress is specifically charged. One of them is a right to legislate with respect to revenue and the other is the right to make appropriations. We have not even been asked to give those rights to the executive branch. Now, Mr. Chairman, I refuse to do so, and I think the membership of the Committee on Ways and Means feels the same way. Mr. Chairman, I do not want to give up any more of the prerogatives that were reposed in the Congress of the United States. We have already given up enough.

Now, Mr. Chairman, I will say that my friend, the gentleman from Missouri [Mr. CURTIS], is leading himself into a position in which I know he does not want to be placed. It is the position of saying, "We will pass whatever the President sends up here in the way of budget requests. Then we are going to restrict him with a debt ceiling and thus require him to reduce his own budget requests instead of doing it ourselves." Mr. Chairman, either we give him complete control over the where, when, and how moneys are expended——

Mr. CURTIS. Mr. Chairman, will the gentleman yield further?

Mr. MILLS. Yes. Have I misstated the situation?

Mr. CURTIS. The gentleman has not stated the situation exactly right. The gentleman is correct in saying that the gentleman from Missouri——

Mr. MILLS. The gentleman does not like that?

Mr. CURTIS. You may be certain that I do not. However, we part on this issue when the security of our country is at stake.

Mr. MILLS. I am trying to point out to the Members of the Committee that we should do something about expenditure control at the legislative level for the very reason that it is a vital issue.

Mr. Chairman, at the same time I ask the Members of the Committee, is there anyone who does not realize that we cannot go into fiscal 1968 without some increase in the size of the ceiling on the debt? We cannot do it. We can argue about whether it should be $365 billion, $360 billion or $363 billion. But, Mr. Chairman, I call upon any Member of this Committee to stand up who thinks that we can go into fiscal 1968 with a permanent debt ceiling of $285 billion. You all know we cannot do it.

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

Mr. MILLS. I yield to the gentleman from Illinois.

Mr. ARENDS. Mr. Chairman, the distinguished gentleman who now occupies the well of the House knows that he enjoys the greatest respect and affection on the part of all the Members of this body for his ability and for his forthrightness in presenting legislation to this body which comes from the Committee on Ways and Means.

However, Mr. Chairman, I am terribly concerned, but I ask the gentleman to tell the Members of this House where we are going and why? Do we have any pattern as to how we can influence this House of Representatives in an effort to stop spending some of the unnecessary moneys which we are spending at this particular time? And, of course, the gentleman from Arkansas knows we are doing it, and so do I.

Mr. Chairman, there ought to be established a priority list by this Congress, beyond which this Congress is not willing to go in the field of Federal spending.

Mr. Chairman, I hope that someone will drive home the point of the seriousness of that problem, the spending problem, this afternoon.

Mr. MILLS. I am delighted to undertake to do so, and I will do the best I possibly can.

Mr. ARENDS. Mr. Chairman, if the gentleman from Arkansas will yield further, I would hope that the gentleman from Arkansas, when these appropriation bills come up for consideration will stand up in that well and use his great influence and persuasive powers and say that we should put a brake on this spending.

Mr. Chairman, as everyone knows, we could not even put a 5-percent reduction on a recent appropriation bill which was considered by this body, a move which any sensible man knows could be made an effective instrumentality in cutting back Federal expenditures. Yet, Mr. Chairman, we have not been able to do that on bill after bill.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. WHITTEN. To keep the statement from our distinguished and good friend from Illinois going unchallenged, may I say the motion made by his side of the aisle yesterday wiped out the 4.9-percent cut that the committee had made, where we had pinpointed the cut and substituted 5 percent, which is only one-tenth greater, and left it up to the Bureau of the Budget to cut it. That was the issue yesterday.

Mr. MILLS. I do not want to get yesterday's problem too deeply involved in this.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. GERALD R. FORD. I appreciate the gentleman from Arkansas yielding. I must respond to what the gentleman from Mississippi said by saying he is talking about apples in one case, and oranges in the next. The cut the committee made—and I applaud those reductions—were in the area of obligation authority. The gentleman knows better than I do because of his long, able, and dedicated service on the Committee on Appropriations, the fact that if you cut obligation authorities by 4-plus percent does not reflect itself in any way—that is somewhat exaggerated—it does not reflect itself identically as far as spending is concerned in the next fiscal year.

Mr. WHITTEN. There is some merit to the point the gentleman has made, but all our discussion here today concerns the fact that we are spending as fast as we can obligate, unfortunately. So I think what I said is substantially true: that there is some distinction between obligations and spending, but it is that 2 seconds' difference in time between the one and the other.

I come back with the fact that for all practical purposes the 4.9 percent that we cut, and we applied that cut, was wiped out by the motion by the other side, because that motion was tied into the budget recommendation.

Mr. MILLS. Whether we cut the appropriation 4.9 percent, or 5 percent, in all probability we will have a supplemental back in here restoring most of the funds.

Mr. GERALD R. FORD. Why do not the gentleman from Arkansas and myself make a solemn pledge here and now that, except in cases of defense, we will jointly, vigorously, and affirmatively oppose any supplementals, and let the Bureau of the Budget and the White House know that right here and now?

Mr. MILLS. I join the gentleman in expressing the very sincere hope that we will not have supplementals involving the nondefense sector of our economy. I also join the gentleman in an expression of hope that we can have a study—which could not be completed by June 30, which is one reason why I do not think the motion to recommit this bill ought to carry—as expeditiously as it can be done on cutting back nondefense expend-

itures. I know it can be done. The gentleman knows it can be done.

What I am saying is this: I do not believe we can fight this war in Vietnam, get it over with, and still live at home as though we were not fighting a war.

Mr. GERALD R. FORD. I agree entirely with the gentleman.

Mr. MILLS. And since we cannot do that, I think we ought to reevaluate our expenditure position.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. JONES of Missouri. Mr. Chairman, the thing that I am interested in is this: Am I wrong in assuming that in adopting this increase in the permanent debt ceiling that the President will not take some notice of the fact that he shall try to keep this budget for the next fiscal year within this permanent debt ceiling, and not send us up a phony budget cutting out some milk and school lunch programs, and things like that, that he knows are popular?

I will be willing to vote for this bill if I can have some assurance from the leadership, both on this side of the aisle and on that side of the aisle, that what we are doing is that we mean business when we make this permanent debt ceiling, that we are going to try to do all we can do, and that we are sending word to the President that we expect him to try to remain within that ceiling?

I want to know what the gentleman's feeling is on what the effect of this permanent debt ceiling is.

Mr. MILLS. Let me reply to my friend, the gentleman from Missouri, this way. We have come here in the past because we have been in a dilemma at the end of each fiscal year. The ceiling was going to fall to the permanent level of $285 billion. Everybody knew we could not live within it and that we could not get down to it.

There will be a difference when we have a permanent ceiling of $365 billion. It will not expire on June 30 next. It is to be a permanent ceiling.

Mr. JONES of Missouri. No, that is just 23 days from now so I do not think it will expire.

Mr. MILLS. I am talking about June 30, 1968. It goes on—it is permanent. The House then can deal more realistically, as I see it, with this situation. I think everybody should be advised of the fact, that it is going to be far more difficult to get a $365 billion permanent ceiling increased—except for requirements of war or things of that sort—than it has been in the past to get a temporary ceiling increased.

Mr. JONES of Missouri. I want him to do that for this reason. Last year the President, when I talked to him about not carrying forward this Vietnam war and not hitting where we should be hitting and that we were giving sanctuaries, why his face lit up and he said, "There are no sanctuaries in this war."

Then 6 or 7 months later, they began to bomb some of these places that we had refrained from bombing and that is the thing that has been carrying this on. I want the chairman of this committee to know and everybody making appropriations, and the President, that we expect this $365 billion ceiling to be a ceiling through fiscal year 1969 at least.

Mr. MILLS. There is no way to be sure of that. No one knows what is likely to happen in Vietnam.

Mr. JONES of Missouri. I am talking about here—if we are in a war we can cut down on some of this domestic spending.

Mr. MILLS. But certainly we could not cut down on any expenditures in the Near East.

Mr. JONES of Missouri. Are you telling us now that we are going to send troops to the Middle East?

Mr. MILLS. I am not saying that, I do not know what is going to happen. All I am saying is, there may not be room to offset all of these expenditures by cuts in expenditures on the domestic front.

Mr. JONES of Missouri. I am not in favor of putting troops in the Middle East. Some want to take them out of Vietnam and to send them over there, but I do not want to do that.

Mrs. GRIFFITHS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentlewoman from Michigan.

Mrs. GRIFFITHS. For a long time I sat on two committees where the proposition of establishing priorities in spending was discussed. Personally, I think there is some merit to this. But before we accept it as a general philosophy, I think the people who make the suggestions ought to set up their list of priorities of what we are going to spend money on and show to the rest of us exactly what is going to be cut out. If you do that, then I will really be glad to consider it.

I voted yesterday on the motion to recommit with the 5 percent reduction, but I think in reality that is too vague a way of doing it. It sounds easy—well, just cut everything 10 percent. But I do not think you can do it that way. Since there is no listing of priorities, if those who are now suggesting that this is a good way to run things would set up their own tests or list, I can tell you now that I will be happy to look them over and I will tell you whether or not it is worth voting on.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. KYL. I want to ask my colleague and friend to help us on another matter. We have heard today about the possibility of, in some magic fashion, canceling about $45 billion of this debt, which has been paid for once. Is that a fact or is it fancy?

Mr. MILLS. I am glad the gentleman from Iowa has called that to my attention.

I ask our colleague, the gentleman from Texas, to give me his ear, please. I want my friend, the gentleman from Texas, one of the most personable and one of the most likable men that I have ever known in my life, to listen to this. I have always enjoyed my association with him, and he is always most persuasive and always so generous to me. He has been helpful to me ever since I have been in the Congress.

I want to know if his bill, H.R. 9156, which he introduced, and which was referred to the Committee on Banking and Currency, embodies the philosophy which he announced here in connection with what he said on the rule. Does the bill, H.R. 9156, which would provide for the retirement of $40 billion of interest-bearing obligations held by the 12 Federal Reserve banks embody the philosophy the gentleman expressed?

Mr. PATMAN. It is based upon that theory; yes. Instead of $45 billion, we made it $40 billion, letting them keep $5 billion.

Mr. MILLS. I understand. The gentleman introduced the bill, and I am satisfied it was not just the fact that he was the author of the bill and chairman of the Banking and Currency Committee that prevailed on the Speaker to refer the bill to the Committee on Banking and Currency. The bill was referred to the Committee on Banking and Currency, and the bill is now before the Committee on Banking and Currency.

Now, my friend came to the Committee on Ways and Means and expounded this philosophy and asked us to incorporate the proposal in the debt ceiling bill. During consideration of the rule he talked about opening the rule so that he could offer his bill as an amendment. Of course, if the rule had been opened, I would have made a point of order against his amendment because the subject matter of his amendment is presently before his own committee.

I am not being critical. I never want to be critical of my friend from Texas or any other of my colleagues. I wish to analyze just what his bill proposes to do, and if I am wrong, I will yield to the gentleman when I get through so he can show men where I am wrong. Let me analyze it first.

I do not wish to yield at the moment, because I am afraid the gentleman will lead, and I do not want to be led. I want to make my own explanation, and then I will yield to the gentleman from Texas.

The gentleman proposes that we take back these obligations. What purpose do these obligations serve? They serve as the collateral for the issuance of Federal Reserve notes. What are Federal Reserve notes? They are the $10, $20 and $50 bills, the currency that you carry around in your pocket. I think—$38 billion or more of them are outstanding. H.R. 9156 would withdraw the securities backing this currency.

The gentleman in his bill specifically recognizes that under the act establishing the Federal Reserve System, the act itself imposes primary liability for the amount of those notes outstanding upon the Federal Reserve banks. His bill specifically cancels this liability when it provides for the canceling of the $40 billion of obligations.

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

Mr. MILLS. No, I am not yielding until I get through. I intend to be courteous to the gentleman, but I do not want him to lead me.

The gentleman I believe recognizes this fact, section 2 of this bill provides that—

> Each Federal Reserve Bank shall be relieved of its liability in the amount of Federal Reserve Notes issued to it equal to the

valuation at which the obligations transferred by it to the Secretary of the Treasury pursuant to the first section are carried on its books and the Secretary of the Treasury shall transfer an equal amount, on the books of the Treasury, from contingent liability on Federal Reserve notes to direct currency liability.

What does the bill do? It transfers the liability for Federal Reserve notes, after it cancels the obligation supporting them, to the Secretary of the Treasury, so that then they become not contingent liabilities of the United States, but direct currency liabilities of the United States. They join the other $166 billion of U.S. notes or greenbacks as they are sometimes called that we have outstanding. That is what it amounts to.

But let me point out the clever thing about this bill—and I am surprised I did not pick it up before this, because I have struggled so hard to find some way to get around raising the debt ceiling. Even though under this bill Federal currency would become a direct obligation of the Treasury, because it would be a currency liability like U.S. notes, it would not be included in the public debt subject to limitation. But it would be just as much of a debt, whether or not under the limitation. The currency which is outstanding and issued by the Federal Reserve presently is backed up by securities of the Federal Government which these banks hold. Now, my friend from Texas cancels these securities but creates a direct currency obligation. He has fallen for a mirage; he has changed the type of direct obligation but not the amount of direct obligations.

I yield to him.

Mr. PATMAN. Mr. Chairman, I am afraid the gentleman from Arkansas has fallen for the mirage. He is accusing me of trying to make these direct obligations of the Federal Reserve.

Mr. MILLS. I just read the gentleman's bill which makes them direct currency obligations of the Treasury Department.

Mr. PATMAN. The best evidence is the law. They had more discussion over whether or not the Federal Reserve notes would be direct obligations of the Federal Government or Federal Reserve banks than on any other one point. It is in the Senate and House and committee reports.

Mr. MILLS. Let us see what the Federal Reserve Act says as to what they are now.

Mr. PATMAN. If the gentleman will listen, we will see where the direct obligation is. I will read. Section 16 says: "Federal Reserve notes, to be issued," and so forth, and I am quoting:

The Federal Reserve Notes . . . shall be obligations of the United States.

Mr. MILLS. But the gentleman left out the next subsection, subsection 2 of section 16. It says they shall be direct liabilities against the assets of the Federal Reserve banks. Actually they are presently only contingent liabilities of the Treasury as indicated by your own bill.

Mr. PATMAN. The section in present law says they shall be obligations of the U.S. Government.

Mr. MILLS. Read the entire section.

Mr. PATMAN. Section 16 says:

Federal Reserve Notes, to be issued at the discretion of the Board of Governors of the Federal Reserve System for the purpose of making advances to Federal Reserve Banks through the Federal Reserve agents as hereinafter set forth and for no other purpose, are hereby authorized.

Mr. MILLS. Read the part which says——

Mr. PATMAN. I am reading it.

Mr. MILLS. No; just a second now.

Mr. PATMAN. I am reading it all.

Mr. MILLS. Why did the gentleman say in section 2 of his bill that each Federal Reserve bank shall be relieved of its liability? I am talking about the gentleman's bill.

Mr. PATMAN. That bill does not refer to the obligations of the U.S. Government.

Mr. MILLS. I am talking about the gentleman's bill. I am reading the gentleman's bill. The way this liability is offset at present is by the obligations of the United States which the banks hold and which he wants to cancel.

Mr. PATMAN. The gentleman yielded to me. I am not reading the bill but the law.

Mr. MILLS. Well, read all of section 16.

Mr. PATMAN. The gentleman does not read the law changing the obligation, because the law itself says since 1913, and that was the biggest fight on the Federal Reserve Act.

Mr. MILLS. I understand the history of it, but I want my friend to read it.

Mr. PATMAN. The gentleman yielded to me.

Mr. MILLS. I will not yield unless the gentleman will read all of the section.

Mr. PATMAN. The gentleman yielded, and I will read it with him.

Mr. MILLS. If the gentleman will let me have it, I will read it.

Mr. PATMAN. Let me hold it now.

It says here:

Section 16. Federal reserve notes, to be issued at the discretion of the Board of Governors of the Federal Reserve System for the purpose of making advances to Federal reserve banks through the Federal reserve agents as hereinafter set forth and for no other purpose, are hereby authorized.

The gentleman never read that.

Mr. MILLS. I have read it. Read the rest of it.

Mr. PATMAN. It says further:

The said notes shall be obligations of the United States—

Mr. MILLS. That is right.

Mr. PATMAN. That is correct, is it not?

Mr. MILLS. That is correct.

Mr. PATMAN. It also says—

and shall be receivable by all national and member banks and Federal reserve banks and for all taxes, customs, and other public dues.

Mr. MILLS. That is correct.

Mr. PATMAN. It also says:

They shall be redeemed in lawful money on demand at the Treasury Department of the United States, in the city of Washington, District of Columbia, or at any Federal Reserve bank.

Now let me read the next part:

2. Application for notes by Federal Reserve banks.

Any Federal Reserve bank may make application to the local Federal Reserve agent for such amount of the Federal Reserve notes hereinbefore provided for as it may require. Such application shall be accompanied with a tender to the local Federal Reserve agent of collateral in amount equal to the sum of the Federal Reserve notes thus applied for and issued pursuant to such application. The collateral security thus offered shall be notes, drafts, bills of exchange, or acceptances acquired under the provisions of section 13 of this Act, or bills of exchange endorsed by a member bank of any Federal Reserve district and purchased under the provisions of section 14 of this Act, or bankers' acceptances purchased under the provisions of said section 14, or gold certificates, or direct obligations of the United States. In no event shall such collateral security be less than the amount of Federal Reserve notes applied for. The Federal Reserve agent shall each day notify the Board of Governors of the Federal Reserve System of all issues and withdrawals of Federal Reserve notes to and by the Federal Reserve bank to which he is accredited. The said Board of Governors of the Federal Reserve System may at any time call upon a Federal Reserve bank for additional security to protect the Federal Reserve notes issued to it.

Mr. MILLS. The collateral referred to here are the Government securities.

Let me ask the gentlemen a question: Are Federal Reserve notes also a liability against the assets of the Federal Reserve banks?

Mr. PATMAN. I think primarily they were. And we might have to dissolve the Federal Reserve to get at the assets they are using for their own purposes.

Mr. MILLS. If they are primarily obligations of the banks at present they must be only contingent liabilities of the Treasury. Is the dissolution of the Federal Reserve what the gentleman wants to do?

But now let me go ahead, if I have answered the question of the gentleman from Iowa.

The gentleman from Texas also accuses us of having approved of high interest rates.

Let us look at the provision to which he refers. This provision of the bill authorizes the Treasury to issue U.S. notes which have a maturity of up to 7 years. Under present law, these notes can be issued only if they have a maturity of not more than 5 years. As you know, these notes are not subject to the 4¼-percent interest rate ceiling presently imposed on Government bonds.

The Treasury requested authority which would permit it to take steps to reduce the extent to which the average maturity of the outstanding debt is being shortened. It has difficulty doing so now because bonds with an interest rate no higher than 4¼ percent cannot be placed in the present market. Right now, long-term interest rates are above the interest rate ceiling. During such a period, more and more of the debt becomes concentrated in issues with a relatively short period remaining to maturity. This development may become a problem for debt management and monetary policy if continued too long.

The committee recognizes that any increase in the interest rate on new issues of Government bonds would be viewed by some as an endorsement of a

general policy of higher interest rates. This we certainly do not intend. For that reason, the committee did not grant the administration's request to remove the interest rate ceiling on $2 billion of bond issues. This also accounts for the relatively mild action taken in extending the period for which notes may be issued. Even this was approved only after it was concluded that it—by itself—would not have any effect on interest rates. It will, however, give the Secretary of the Treasury added flexibility with respect to shortening the maturity of the debt.

CONCLUSION

In conclusion, I want to emphasize that the debt ceiling provided in this bill is realistic in view of the very real contingencies we face today. I want to emphasize that it does not contain any allowance whatsoever for an increase in nondefense spending.

The most important of these contingencies concerns the cost of supporting our troops in Vietnam and wherever else they may be engaged. The only remaining contingencies allowed for, relate to uncertainties as to revenues, or proposed revenues, and as to the treatment Congress will decide upon for participation certificates. A debt limit that does not provide a sufficient allowance for these contingencies might impede the administration defense effort.

All of us must also recognize that the approval of a debt limit with a larger than usual margin for contingencies is normal in a period in which we are engaged in armed conflict. During World War II, the permanent debt limit was increased by 400 percent. The permanent debt limit which was established in the postwar period contained such a large margin for contingencies that it was not necessary to increase the debt limitation during most of the Korean war period. Provision of an adequate debt ceiling now will merely insure that we do not run the danger that increases in expenditures needed to support our fighting men will be in any way delayed.

I repeat that the approval of this debt limitation in no way implies that we should lessen our efforts to maintain a tight rein over nondefense Federal expenditures. Indeed, we must be more vigilant than ever. I believe my view on this—if not already known—is suggested by the Commission I am proposing for Government program evaluation. To my colleagues who are as concerned as I am about expenditure control, I say let us direct our attention toward a critical review of these expenditure programs but let us not inhibit the operation of our Government by too low a limit on the debt.

I urge your support for this bill.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I rise in opposition to this bill as it has been reported to the House by the committee; but before going into the fundamental argument with respect to this legislation I want to comment on three items in the bill that I believe are salutary changes.

All of these have been proposed for some time by the minority members of the committee in one form or another. We proposed two of them in February of this year in our motion to recommit the first debt ceiling bill to the committee.

At that time we felt it essential that the Treasury be given additional latitude in the interest rates on Government obligations, in order to better manage the debt that was outstanding, and we urged that the current 4¼-percent ceiling on obligations over 5 years be relaxed. This bill does provide for some relaxation in that interest ceiling.

As the chairman has just said, this bill raises the time limit on notes from 5 to 7 years so that a 7-year obligation can now be issued at interest rates that reflect market conditions. It provides a period, therefore, of 2 additional years in the maturity of the obligations that can be issued outside of the 4¼-percent interest ceiling.

This is not what the Treasury recommended. I should say to the Members of this House that in the committee the Republican members supported the Secretary of the Treasury in his recommendation. That was rejected by the Democrat members of the committee. However, the compromise was submitted and we unanimously supported that compromise in the committee.

It does not do as much as many of my colleagues and I think should be done to remove the restrictions on the Secretary of the Treasury in managing our debt. However, a little relaxation of this restriction is better than maintaining the rigid restrictions that exist in the law today. Therefore, I applaud this action by the committee as a move in the proper direction.

The other matter which we included in our motion to recommit to the committee with instructions to amend when the debt ceiling legislation was before us in February related to the participation sale certificates. We said at that time that these certificates are really obligations of the U.S. Government. According to an opinion of the U.S. Attorney General, they carry the full faith and credit of the U.S. Government. They are sold to trust funds, including the social security trust fund; therefore they are as much a debt of the United States as the other bonds issued by the Treasury. Of course, this again was turned down by what was in essence a party-line vote last February. I am pleased to say that a concession has been made, though, in this bill. The participation certificates that are proposed to be sold during fiscal year 1968 will come within the debt ceiling that is established by this bill. Those are two steps in the right direction.

The third salutory change is the elimination of the fiction that we have a "temporary ceiling" superimposed on top of a "permanent ceiling." Fundamentally, we have had only one ceiling through the years and that is the top dollar figure that could be outstanding in debt obligation under the law. The only temporary feature has been the certain necessity of reconsidering the ceiling by June 30 of every year, the date on which the "temporary ceiling" expired. In the latter part of the 1950's we even went so far in the Congress then in control as to have a temporary ceiling on top of a temporary ceiling on top of a permanent ceiling. It has been a silly device, in my opinion, giving the people, and maybe even ourselves a false sense of the real level of debt. I think all of us have been around here long enough to know that there is nothing concerning the laws of the United States that is either temporary or permanent. That is certainly true as far as our debt ceiling is concerned. At least in this bill we have gotten rid of the fiction of a "temporary" ceiling. The chairman is right when he says we could be saying today, if we wanted to be demagogic, "Why, you are increasing the permanent ceiling by $80 billion from $285 billion to $365 billion."

But, the chairman of the Committee on Ways and Means certainly knew that our side would not raise this specter, because we have ourselves tried to get rid of this fiction.

Mr. Chairman, it does not require any great comprehension to know that under the law today we have a $336 billion ceiling. That is the figure the Congress established last February when we granted an increase in that temporary debt ceiling of $6 billion.

Now, Mr. Chairman, it is proposed under this bill to provide another $29 billion of borrowing authority and to raise that figure from $336 billion to $365 billion. And, Mr. Chairman, that is the real issue that we have pending before us today.

Now, Mr. Chairman, all of us know that our Nation faces many grave problems. But in my book none of them are any more grave than the fiscal problem which we face.

Mr. Chairman, I say this because unless we can put ourselves in a proper fiscal posture, our chances of solving the other grave problems becomes not only more difficult, but maybe next to impossible. This I say because the one item that any nation has to have is a sound currency and a sound fiscal management of its governmental business. Mr. Chairman, it is my opinion that this bill focuses attention upon the fiscal problems with which we are faced today.

This bill provides authority to the Secretary of the Treasury to borrow $29 billion in the next fiscal year. Last February we authorized an additional $6 billion in borrowing authority. If we pass this bill, we will have authorized $35 billion of additional borrowing authority on the part of the Government of the United States during the course of this year.

Now, Mr. Chairman, while our fiscal problems are grave, while they are complicated and do not admit of simple solutions, the answer to this bill is simple.

Mr. Chairman, in my judgment this request to borrow $29 billion, to go $29 billion further into debt, should be voted down.

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

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield myself 10 additional minutes.

The CHAIRMAN. The gentleman from Wisconsin is recognized for 10 additional minutes.

Mr. BYRNES of Wisconsin. Mr. Chairman, what we really have pending before us today is two propositions with respect to our deficit picture, and neither of these propositions justifies a $29 billion

increase in the borrowing authority of the Government of the United States.

Mr. Chairman, proposition No. 1, is that the deficit for fiscal 1968 will be $11 billion. Based on the administration's projection of expenditures and revenues, this is the deficit that must be accommodated for fiscal 1968. That is the official amount.

We have been told that one of the aspects of this problem with which we have to deal is the projection of the expected deficit. That projection comes down to us from the administration. It is based upon the budget submitted to this Congress as the official document of the administration and of the executive branch, projecting expenditures and revenues of the Federal Government. This is based upon the official budget of the United States.

This is the document that normally guides our action on the debt ceiling, but this time we have added a second proposition—that there are contingencies which make it likely that the deficit will be $29 billion instead of the $11 billion projected by the administration. This illustrates the credibility gap that has existed with respect to how much confidence we can have in what the executive branch does in terms of its monetary affairs.

I do not question anybody for being concerned about a credibility gap in this area after what happened last year. As late as September of last year we were told we were going to have a deficit for fiscal 1967—the current fiscal year—of only $1.8 billion. Four months later the administration finally told us the truth and informed us we were going to have a deficit of nearly $10 billion in fiscal 1967.

In the short space of 4 months the administration came in and gave us this drastically revised picture of the financial and fiscal plight that we were in.

I do not want to quarrel with my chairman for suggesting that we should not put our complete reliance on the budget message of the President, or even on the slightly revised budget figures which were given to us a few weeks ago when we were told that, instead of having a $9.7 billion deficit for fiscal 1968, it is now projected to be $11 billion.

I do not question or criticize the chairman for suggesting that we have to look beyond the official facts given to us by the administration, and that there are some contingencies. I am not going to question that.

But let me say this as far as both of these propositions are concerned. If the real deficit is $11 billion for fiscal 1968, then a grant of $29 billion of new borrowing authority would simply make the debt ceiling a meaningless provision. If the deficit is $11 billion, as projected by the administration, then there is no excuse for increasing the borrowing authority by $29 billion. We would do this only if we wanted to remove the discipline provided—and it appears to be little enough—by the ceiling to control expenditures. This is not a very good tool, I will admit, but it is one tool that we have to exert some kind of pressure on the executive branch in terms of spending levels.

Let me remind my chairman, and the Members of this House, that the level of expenditures from day to day, from month to month, and from year to year, is fundamentally in the hands of the executive branch. We give the President obligational authority, and to that extent the Congress of the United States is responsible, but once the authority has been provided, it is the executive branch that determines the level of spending from month to month and from day to day. They are the ones who can defer the letting of a contract this year, so that the bill will not be due until 18 months from now, rather than having it due at this time when our fiscal situation is in a difficult plight. The executive does that.

This debt ceiling can exert some influence. It has in the past, if you will look at the record on executive spending policy. Do the Members want to remove what little tool they have?

My chairman said, and I agree with him, there is concern over where we are going in this Nation as far as expenditure policy is concerned.

And he suggests that we have to have some better tools. He has introduced legislation establishing a commission to review the expenditure side of our budget. As I understand it, it is a kind of Hoover Commission, to make policy recommendations in the area of expenditures.

Let me assure him today that I will support his legislation. I am willing to do anything that will give us some control. If the control is not here, give the President some control that can be exercised and used to get our expenditures in line with what we can afford under the current circumstances.

But I am not going to quibble at this time as to what the device is. One thing I am not going to do: I am not going to vote to give the executive so much borrowing authority that the debt ceiling is eliminated as a tool providing some discipline for mitigating this spending profligacy that is going on in our Nation's fiscal affairs.

If you grant a $29 billion increase in borrowing authority to accommodate an $11 billion official deficit, what are you doing? You are simply blowing off the roof. If this Congress desires to do that, may I suggest to you, my friends and Mr. Chairman, why not go all the way. Let us simply repeal the provision of Liberty Loan Act establishing a ceiling on how much the Government can borrow. Forget about it. It is either going to be meaningful or we might just as well throw it out of the window and stop all this exercise.

So far as I am concerned, I think we should keep it. I think it can be useful. I think it has at least some value. This $29 billion increase in borrowing authority cannot be justified on the basis of the official figures given to us by the executive branch. If you want to accept the figures of the executive branch, then you should vote against this bill that is before you today.

But let us move into this second proposition concerning the contingencies discussed earlier.

What about the contingencies mentioned by the chairman? Is there a real possibility that if we continue on our present course that we will have a deficit of between $29 and $30 billion in the fiscal year 1968? We have to do something to accommodate this deficit, if it is real?

Frankly, I do not know how real it is and how fixed these contingencies are.

The chairman admits he cannot say what they are with any definiteness—except that they are on the scene.

We asked the Secretary of the Treasury to try to establish these concretely, and to make them a permanent part of the official figures. He would not do that.

Let us assume that these contingencies are real possibilities. This bill assumes all of them are real possibilities, because it increases the ceiling by $29 billion, when the projected deficit is $11 billion.

Is not that assumption a signal—a signal to you, to me, to the executive branch, and to our people—that at this point we should review and revise our spending plans so we can avoid a debt of such magnitude?

Real or potential as these contingencies may be, they are not a signal to me to give the administration $29 billion more borrowing authority. It is a signal to me that something is wrong; that we should take another hard look at what our spending and revenue plans are for the next year; that we should do something to avoid this huge deficit and to avoid having to go to the marketplace for that amount of money under the current situation.

The official budget of expenditures and revenues submitted by the President to this Congress is the document on which our Appropriations Committee functions. They point out in some cases that they have not exceeded the Executive budget, sometimes, I am afraid, in the belief that since they have not gone above the President's budget, they have done a good job. I have never interpreted it that way.

I merely thought we were doing just as bad a job as the President, if that is all we could come up with. But this is the budget of expenditures as submitted to this Congress, and it is the official document upon which the development of all our appropriations and our tax programs depend. That budget was developed in the context of a $9 billion deficit for fiscal 1968, because that is what it projected.

The determination of the priority of expenditures was based on the contemplated deficit of around $9 billion. A deficit three times that amount should, it seems to me, require the establishment of different priorities, both as to expenditures that we can afford, and different priorities as far as our revenue and tax picture is concerned.

Let me point out that we already have a debt approaching $336 billion, and we have an interest bill this year amounting to $14.2 billion—the second biggest item in our budget.

If you and your family, or any prudent family in this country, were faced with new and unforeseen costs, and you already had a heavy burden of debt with large interest costs, what would you do? Would you run down to the bank and borrow more and add more to your debt obligation, more to the interest charges that you had to carry? I do not think you would. I do not think the prudent

American family would approach the problem in that way. They would not take the easy course, because in the long run they know that it is not the easy course.

I think you would take a look at some other aspects of your family's financial affairs before you simply ran down to the bank, and that is what I think this Government should do. I do not think we should automatically borrow another $29 billion and add $1.5 billion to our interest charges, which are already extremely high. What would a prudent family do?

I believe it would first look at what it had been planning to spend, and say: "We have to cut back. Some of the things that we could afford when we had only these normal costs, we now cannot afford, because we have this new added cost. Maybe we have to defer buying another car. Maybe we have to forgo a coat, a suit, or a dress, or some clothes for the children that we were planning to buy. We will have to defer those items."

I believe that is the first thing a prudent family would do under those circumstances. They would see how far they could cut back to live within their means and assume the responsibility of this new burden.

Why should the Government be any different? An expenditure that this Government planned last January in anticipation of a deficit of $9.7 billion takes on a new priority status when we are faced with a potential deficit of $29 to $30 billion? I believe there are many items in this budget that take on a new significance when we are confronted with a deficit of this magnitude.

What is the next thing that a prudent family does? If they cannot cut back sufficiently on their expenditures to avoid borrowing a big amount, I believe they might talk in terms of Dad doing a little moonlighting. I believe Mother might think of some ways of adding to the family income, before running to the bank and piling up a higher and higher deficit to meet bigger and bigger interest costs. I believe some of the kids might think in terms of looking for some part-time work, so that they can add to the revenue side, in an attempt to avoid borrowing any more money than was absolutely essential under the circumstances.

I believe that is what the prudent family would do, instead of rushing to the bank. My friends, that is what this Government should do at this time. It should stop, review, and revise. How do we get that revision? How do we get that review?

I am not just saying it should be the executive branch. I am not putting all the responsibility on the executive branch. Let us recognize the situation under which we operate. We look to the Executive for guidance and that is why we have the Budget Act which requires the President to set out his proposals. The Executive knows more than we know, as a body, about what our problems are, what our potentials are in the defense area, what the expenditures will cost, and how real the contingencies are that the chairman talks about. They certainly are in a much better position, having all the facts, than we are. They should certainly go back and examine this budget on the basis of the new priorities, based on a $29 billion potential deficit, because all they did was look at it in the light of the proposed $9.7 billion deficit.

They should take another look. We should also take another look. Both of us should do it. These are the kinds of conditions that, to me, at least, dictate that we avoid simply running to the money market to borrow more money.

These are the kinds of conditions that require that we take a second look. The Executive had better take a second look, and the Congress had better take a second look.

I, therefore, Mr. Chairman, am going to oppose this bill, No. 1, because the $29 figure cannot be justified on their own projections. I believe, if all they looked at was the deficit of $11 billion for fiscal year 1968, the chairman would not be here recommending a $29 billion increase.

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

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

Mr. MILLS. Of course I would not.

Mr. BYRNES of Wisconsin. I know. The gentleman is basing this on the possibility of these contingencies.

Mr. MILLS. I am taking into consideration some facts I know exist. My friend is not willing, I am sure, to tell me he believes that the deficit is not going to by any more than $11 billion.

Mr. BYRNES of Wisconsin, I know it is. I grant that.

Mr. MILLS. Of course it is.

Mr. BYRNES of Wisconsin. But if we assume it will be the full $29 billion, then there is all the more reason why we should not automatically say, "Go to the money market, run down to the bank, take the easy way out."

That is all the more reason to say, "We have to reexamine the priorities of some of our expenditure programs. There must be some at the bottom of the list that can be put off and deferred."

I am saying that the only way we can get that—and it is a tool we have at our disposal here—is to turn down this bill, because the message soon will go to the President, to the Secretary of the Treasury, and to the Bureau of the Budget that this Congress wants a change; that it is not going to vote for $29 billion of borrowing authority and approve a $29 billion deficit; and that we want them to come up with their recommendations as to what expenditure items they want to defer in order to adjust our fiscal affairs to the facts confronting this Nation.

We want to know from them what they will suggest in the area of revenue.

In my judgment, Mr. Chairman, this is the way to get it. The only way is by turning this bill down at this time.

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

Mr. BYRNES of Wisconsin. I yield.

Mr. MILLS. I have just as much interest, I believe my friend knows, in this business of reevaluation and reestablishment of priorities as anyone, including my friend. That cannot be done, however, realistically, as I see it, in the short period of time between today and the first day of July.

Mr. BYRNES of Wisconsin. Very well.

Mr. MILLS. On the first day of July the debt ceiling will revert to $285 billion.

Mr. BYRNES of Wisconsin. I want to be constructive, Mr. Chairman. I would suggest if we turn this bill down today the gentleman would have no difficulty in getting legislation through this House very quickly providing sufficient borrowing authority. The only real problem is that ceiling will revert to $285 billion on June 30. I believe that the current $336 billion ceiling would meet the borrowing needs of the Treasury at least until September or October, even under the table presented to us by the Treasury. The gentleman could get a continuation of the $336 billion borrowing authority without any difficulty, which would give them the time to make the review.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield myself 2 additional minutes.

I conclude by reading the final paragraph of the separate views of the Republicans, filed in conjunction with the committee report. Those views begin on page 17.

> In conclusion, before enacting an additional increase of $29 billion in the debt limit—making a total of $35 billion since the first of the year—the administration and the Congress have the solemn duty and obligation to reappraise the priority of domestic and foreign expenditures—and to consider additional sources of revenue—in order to reduce the need for an increase of this magnitude in the Government's borrowing authority. The administration steadfastly refuses to meet this obligation. Instead, the administration asks Congress to give it a "blank check" to run up a deficit of $29 billion. This we refuse to do.
>
> The failure of the administration to meet its obligations to the American people leaves us no course except to oppose this bill. It is the only recourse left to us. Only by this means can we bring about a reappraisal of expenditures and revenue needs in the light of a threatened budgetary deficit which is intolerable.

Mr. Chairman, I yield 15 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, the gentleman from Wisconsin [Mr. BYRNES], has clearly brought before the House and this committee the issue. It is a question of whether or not this contingency that I pointed out to the chairman during his remarks, when he so kindly yielded to me, the contingency that he had not mentioned, would come about. This is the contingency that this administration would cut back on nondefense expenditures. There is a flexibility in spending money that the President has without any reference to the Congress in his power to accelerate or decelerate programs. Every President has exercised this power from time to time. This President at one time did exercise it and continued to exercise it although requesting still larger new power to spend and new obligational authority from the Congress in the form of appropriations. However, the carryover balances of unspent power to spend began to mass, and it exceeds today well over $100 billion although beginning in September 1965 the President began accelerat-

ing his spending. Various estimates are made as to what flexibility in setting expenditure levels the President has. It is probably around $40 billion. This is the contingency that the leaders on the Democratic side here in the House refuse to face up to. They can talk all they want to about lowering the expenditure level and it means nothing if nothing is done about it. I honor our chairman for his views on this, but they can talk all they want to about insisting on cutting back on nondefense expenditures and it means nothing. However, when the debt ceiling does not allow for that contingency and allows for all of the other contingencies that are here, then that is something else. This is unreasonable.

Let me ask the gentleman from Arkansas if these contingencies he mentioned—and I recognize them and I think he has made a very sound case in presenting this matter—let me ask him, suppose the contingencies on the Vietnam war were to increase by $5 billion; should not the administration then, in the light of that contingency occurring, even if it is not ready to now, should it not then look to whether or not it might cut back on nondefense expenditures to make way for that contingency? I yield to the gentleman from Arkansas for that.

Mr. MILLS. I would agree with the gentleman from Missouri. If these expenditures for war purposes are going to rise, we have to look to see whether or not we can reduce expenditures on the nondefense side; but bear in mind, if the gentleman will yield further, this is not just a permanent ceiling for 1 fiscal year. We hope it will go beyond that fiscal year.

Mr. CURTIS. I am hopeful, too, but I am simply putting in the reason why the ceiling need not be what it is, as the gentleman suggests and as the gentleman from Wisconsin [Mr. BYRNES], pointed out—and I will put it bluntly—it is simply that we do not believe the President's figures. There is every reason not to believe them. They are false both on the revenue estimates and they are false on the expenditure estimates. This same committee, the Committee on Ways and Means, was before the House last October with figures that the administration had given us that were false, and I say now, knowingly false. I do not like making such strong statements, but apparently this is the only way you can get through on it. We have an administration that is in default to the Congress on telling the truth and in default to the people of this country in telling them the truth either about revenue estimates or expenditures. As long as this Congress fails to face up to this situation, and call the Executive to task in effect we have a dictatorship here in the United States.

Now, I think it is necessary for this Congress, controlled by the Democratic Party, to face up to this or indeed to face up to it in the election in 1968, stating that they are perfectly willing to permit the President of the United States not to come forward with correct information to the Congress so that the Congress could exercise judgments on these serious fiscal problems.

Mr. Chairman, the chairman of the Committee on Ways and Means has pointed out, as forcefully as he can—and it is my opinion that one can get the overtones of what the gentleman has been saying—that in his judgment we are in serious fiscal difficulties.

Mr. Chairman, this is, of course, always a matter of judgment.

Mr. Chairman, I shall vote against this debt ceiling increase. There is no question but what a vote against the debt ceiling increase would be a vote of "no confidence" in the fiscal policies of this administration.

However, I ask my colleagues—whether you are on the Democrat side of the aisle or on the Republican side of the aisle—in light of the record that appears in the committee hearings, in the committee report and in the debate of the chairman of the Committee on Ways and Means, the distinguished gentleman from Arkansas [Mr. MILLS] and others, how indeed can you cast a vote of confidence in the fiscal policies of this administration?

Mr. Chairman, if a vote of "no confidence" were to occur in the House today, the distinguished gentleman from Wisconsin [Mr. BYRNES] has pointed out what the situation would be. This administration has bluntly told the Committee on Ways and Means that "We are not going to revise our budget estimates on nondefense expenditures."

In fact, Mr. Chairman, the Secretary of the Treasury said to me, "You cannot expect the President to take a new look at the figures." I said, "I do expect the President to do so."

I say this, Mr. Chairman, not as an individual, but as a member of the Committee on Ways and Means trying to represent the interests of the Congress, the House of Representatives, and as a Member trying to represent the point of view of the people of the United States. I, indeed, Mr. Chairman, can expect the President to take a new look at these expenditure figures and come in, just as the British Labor government was forced to do by international fiscal disciplines to withdraw its lush budget and resubmit an austere budget, a budget that no member of the Conservative Party during the campaign had dared even suggest.

Yes, Mr. Chairman, you can balance any budget; yes, the crises are here and they reflect serious problems that need solutions.

However, Mr. Chairman, are we going to wait, until that point when the United States is forced to act by having imposed upon it these international disciplines, disciplines that will force this administration to cut appropriation requests previously made and expenditure estimates under Democratic leadership to really move in to present an austere budget?

These, Mr. Chairman, I say are the fundamental issues now pending before us. Only these issues. Are we going to do something on the expenditure side to the extent we can, or are we going to do nothing? We can do something now through the device of the debt ceiling.

Mr. Chairman, a vote to vote down this proposal would bring the administration back before the Committee on Ways and Means immediately and the representatives of the administration would fully understand from this debate what is required to be done.

Yes, Mr. Chairman, we can go ahead and the chairman of the Committee on Ways and Means, the gentleman from Arkansas [Mr. MILLS], is so right—we have to increase the debt ceiling. The argument is over what amount of debt ceiling should be established—possibly $336 billion? But I would even go beyond that, on a temporary basis, on the assumption and understanding that the administration would pull back its budget and would establish priorities and resubmit an austere budget with these kinds of priorities.

Mr. Chairman, under a unanimous-consent request which I shall obtain when we are back in the House, I shall insert in the RECORD some additional documents on this subject, because I now want to briefly move into another area of discussion.

Mr. Chairman, the area in which I now would like to move and to discuss is the area of what is wrong with debt.

First, Mr. Chairman, I wish to say that there is nothing wrong with debt per se. Debt is a very fine and wonderful economic tool that can be used by the individual, it can be used by the family, it can be used by business, it can be used by local governments, State governments and, indeed, the Federal Government.

But like any power or tool, if not used properly it can be very damaging. It is comparable to fire. Fire is a great boon to mankind properly used, but fire can be a bane.

And the way to estimate what the debt can be of any family or any institution is to relate it to two things, one the earning capacity, the other to the wealth or the assets that lie behind it.

It is very proper for the new economists to refer to the Federal debt as a ratio of gross national product because gross national product is economic activity, and our ways of raising Federal revenues are taxing economic activity; namely, our corporate income tax and individual income tax. But the fallacy of the argument advanced by the new economists is apparent just in looking at it. They say, "Well, the Federal debt as a ratio of gross national product has declined considerably since 1946." The fallacy is, is 1946 the optimum year that we want to set as our example, and what we seek to have as the proper ratio between Federal debt and the earning capacity of our society? Why, it is the worst period they could possibly have picked, and it was picked because of this, I guess, because this was right after World War II, where we had to indulge in heavy deficit financing in order to finance and win that war.

Let us take a look at the ratio of debt to gross national product during the 100 years this country has grown great, with good, sustained, healthy growth, and we see that the Federal debt up until World War I never was as high during the peacetime periods as 15 percent of the gross national product, and during the 1920's, after the war, it got down below, and well below 20 percent.

Here we are 20 years after World War II, and the ratio of Federal debt to gross national product has just gotten below 50 percent, and the bulk of the reduction, I might say, was the result of heavy post-World War II inflation. This is a neat little trick. You can inflate the dollar and change that ratio rapidly because gross national product, of course, is measured in current dollars, while debt is measured in the fixed dollar.

So here we are without much resiliency, without much flexibility, because the ratio of debt to gross national product is so high, still 47 percent of gross national product instead of what it should be, around 15 percent.

I am going to put in the RECORD, by the way, a table showing the debt, and the gross national product, on back to 1874, and any of the Members can look at these ratios.

Another point is the wealth of our society. I am going to put in the RECORD a very interesting study of the wealth of the United States, but the essence of it is this: distributing wealth by sectors, the Government holdings, percentages in 1900, 1929, and 1958—the last year that we have the figures—the Federal percent was 1 percent in 1900, 1 percent in 1929, and 3 percent in 1958, but the crucial ratios are the percent owned. These reflect the net assets of the Federal Government, the assets over and above the debt, and the Federal Government is minus 8. It was zero in 1900, minus 2 in 1929, 1958 minus 8. It is the only institution in our society with this negative figure. State and local is a plus 6, and when we get to our corporations and our businesses, it is a healthy plus 23. When we get to our households we have the healthiest picture of them all.

There are more up-to-date figures, but I happen to have with me figures of 1966. Total consumer assets as of September 30, 1965, were $2.245 trillion—$2,245 billion.

The current liabilities which means consumer credit debts, mortgage debts and so forth—$280 billion.

That gives a net worth of $1.9 trillion.

There is a similar picture I might say so far as the corporate debt related to corporate assets is concerned.

The State and local debt related to assets, likewise is a healthy figure in the black. Only the Federal Government has this disastrous negative figure.

Let me say, even that figure needs revision because so much of what is listed as capital assets of the Federal Government, is military equipment and land and buildings. I want to call attention to the very fine work that the House Committee on Government Operations does every year in keeping up the inventory on Federal real and personal property. As of their June 30, 1966, publication, we can see that Federal assets—the total assets of all personal property and realty amounts to $347 billion. But then when you adjust it for the $189 billion which is the military inventory including real estate and adjust it downward, because so much of this is expendable items not really capital assets you can see that we have this negative figure of a Federal debt greater than the Federal assets.

Mr. Chairman, I want to close by calling attention again to the minority views of the Republicans on this committee. All 10 signed these views. I am going to ask unanimous consent that these views be placed in the RECORD during the debate and I hope everyone has read them because I think they are well stated.

I want to read from the committee hearings on this issue on May 15, 1967, at page 47, where I was interrogating the Director of the Budget, Mr. Schultze. That record is as follows:

Mr. CURTIS. No, my criticism is on the record and the record is there for anyone else to look forward to see the points that I am trying to make, and the crucial political point is this: That if the concern I am expressing in regard to expenditures and revenues and how you finance the expenditures, either through current revenues or debt, if this were believed to be a true picture, then I think there would be considerable sentiment among the public and the rest of the Congress to insist on an austere budget.

As long as this kind of climate goes on I can't blame the people of this country for thinking that the President, after all, is running things and therefore, we ought to be able to rely on the fact that we have this great society that can afford all of these things.

Mr. SCHULTZE. As clearly we disagree, Mr. Curtis, to the extent that we have made recommendations in the budget with respect to the Great Society we believe they are important recommendations.

Mr. CURTIS. I understand it and you would have it put on the basis that you are concerned for human beings and that those who disagree with you aren't.

Mr. SCHULTZE. Have you ever heard me say that?

Mr. CURTIS. I have never heard you, but I have certainly heard the President say it and I am tired of hearing it on the floor of the House. I have heard it for the past 17 years. That is the usual argument against people who are concerned about these expenditures. We are concerned about people and I am very concerned about our programs that would meet their problems.

Mr. SCHULTZE. Mr. Curtis, I didn't raise it. I will take your word for it. Obviously you are——

Mr. CURTIS. No, no; I am the one who is putting this on the record because I feel that the decisions the Congress made last year in regard to budget and expenditures were in light of the incomplete information and in fact an entirely too rosy picture presented by the administration. Had what turned out to be the facts of the situation been anticipated by the administration there is no question in my mind that the Congress would have acted considerably differently in regard to expenditures and the appropriation bills. I can still say that the climate in just these few months of the Congress in respect to appropriations is just that there is going to be no tomorrow, that people like myself who argue that we are in a very serious fiscal situation, they don't quite believe it. I can understand that to rely on the picture that has been presented to us here today by the administration, if they rely on that, yes, they can continue to vote out these appropriations.

If you gentlemen on the Democratic side will rely on that—yes, you can continue to vote out these appropriations. That is why the issue is clearly drawn. The President of the United States must tell the people of this country and the Congress that we are in serious fiscal difficulties; that we have a war going on; and that we cannot have bread and butter and, as my colleague, the gentleman from Wisconsin has added—jam.

The following are the tables and documents to which I referred in my remarks along with some other pertinent reference material:

Ratio of public debt to gross national product

[Dollars in billions]

	Public debt (June 30)[1]	Gross national product[2]	Debt as percent of GNP
Calendar year:			
1874	$2.2	$7.4	29.7
1884	1.6	11.2	14.3
1890	1.1	13.1	8.4
1895	1.1	13.9	8.0
1900	1.3	18.7	7.0
1905	1.1	25.1	4.4
1910	1.1	33.4	3.3
1915	1.2	38.7	3.1
Fiscal year:			
1916	1.2	44.2	2.7
1917	3.0	54.5	5.5
1918	12.5	68.4	18.3
1919	25.5	80.2	31.8
1920	24.3	87.8	27.7
1921	24.0	80.6	29.8
1922	23.0	71.9	40.0
1923	22.3	79.6	28.0
1924	21.3	84.9	25.1
1925	20.5	88.9	23.1
1926	19.6	95.1	20.6
1927	18.5	96.0	19.3
1928	17.6	96.0	18.3
1929	17.0	100.1	17.0
1930	16.2	96.7	16.7
1931	16.8	83.1	20.2
1932	19.5	66.9	29.1
1933	22.5	55.8	39.6
1934	27.1	60.3	44.9
1935	32.8	68.7	47.8
1936	33.8	77.4	43.7
1937	36.4	86.5	42.1
1938	37.2	87.6	42.7
1939	40.4	90.4	44.7
1940	43.0	95.0	45.3
1941	49.0	109.4	44.8
1942	72.4	139.2	52.0
1943	136.7	177.5	77.0
1944	201.0	201.9	99.6
1945	258.7	216.8	119.3
1946	269.4	201.6	133.6
1947	258.3	219.8	117.5
1948	252.3	243.5	103.6
1949	252.8	260.0	97.2
1950	257.4	263.3	97.6
1951	255.2	310.4	82.2
1952	259.1	337.2	76.8
1953	266.1	358.9	74.1
1954	271.3	362.1	74.9
1955	274.4	378.6	72.5
1956	272.8	409.4	66.6
1957	270.5	431.3	62.7
1958	276.3	440.3	62.8
1959	284.7	469.1	60.7
1960	286.3	495.2	57.8
1961	289.0	506.5	57.1
1962	298.2	542.1	55.0
1963	305.9	573.4	53.3
1964	311.7	612.0	50.9
1965	317.3	651.8	48.7
1966	320.0	712.0	44.9

[1] All public debt figures from U.S. Treasury. Includes certain securities not subject to statutory limitation. Public debt includes debt incurred to finance expenditures of wholly owned Government corporations and other business-type activities in exchange for which securities of the corporations and activities were issued to the Treasury, but excludes those holdings outside the Treasury.

[2] 1874–1915 estimates from National Bureau of Economic Research (1874 figure is decade average, 1869–78; 1884 figure is decade average, 1879–88). 1916–39 figures are derived from calendar year estimates of the Office of Business Economics. 1940–66 figures are from Bureau of the Budget, which are derived from the quarterly estimates of OBE.

THE WEALTH OF THE NATION

(NOTE.—The following article was written for The Morgan Guaranty Survey by Dr. John W. Kendrick. In 1963–64 Dr. Kendrick directed a study involving nearly 200 scholars and other specialists which explored the problems and feasibility of national wealth measurement. Stimulated by that project, governmental statistical agencies have since expanded their work in the field of wealth estimation. As a result, there is now promise that in the not too distant future the U.S., for the first time in its history, will have comprehensive and reasonably accurate official estimates both of total national wealth and of its distribution among various groups

in the economy. Dr. Kendrick's article focuses on the significance of this development and suggests some of the ways in which it should improve economic analysis. Dr. Kendrick, presently Professor of Economics at the University of Connecticut, will shortly return to the faculty of The George Washington University.)

The pursuit of wealth is one of the ancient activities of man. Men are interested not only in how they are doing in the acquisitive game; they also are interested in the wealth of others. In the presidential campaign of 1964, for example, questions were raised as to how much each of the candidates was "worth," financially, and figures were produced. Men who own businesses, as proprietors or stockholders, are interested in the net worth of their enterprises. Citizens are interested in the assets of governmental bodies in relation to public debt. And we are all interested in the wealth of our nation—its growth and its size in comparison with the wealth of other nations—as an important indication of the relative material strength of the United States.

Estimates of wealth, besides their capacity for satisfying curiosity, are of considerable importance to economists in their attempts to understand and predict economic behavior. For example, the accumulated stock of wealth of any country—its land, structures, equipment, inventories, and the skill and know-how of its work force—is the basic determinant of that nation's potential for further economic growth. And the buying patterns of households and businesses are clearly influenced by their holdings of both physical and financial assets.

The estimation of wealth has lagged behind the development of national income and product estimates, and still represents a large gap in U.S. economic accounts. In the pioneering days of national income work, to be sure, economists like Sir William Petty in the late 17th century were concerned with wealth as well as with income. Indeed, a century after Petty, in 1776, Adam Smith called his masterpiece *The Wealth of Nations*. Smith even restricted the national income concept to the production of *tangible* goods, since it is only material goods that can be be accumulated to add to the nation's wealth—an approach which carries over today in the "material product" accounts of the communist countries.

But once countries began preparing estimates of economic aggregates on an official, regular basis during the interwar period and after World War II, the estimates were predominantly confined to national income and product. Not only was it much easier to gather data relating to current flows of income and product than to assemble information pertaining to accumulations from past production, but also fewer conceptual problems are entailed in income estimation than in wealth estimation. In addition, neglect of wealth estimates may have been due to the influence of modern macro-economic theorists, such as Lord Keynes, who emphasized income and product, paying little attention to the influence of wealth on economic behavior.

But the balance is being redressed. In recent years, economists have placed increasing emphasis on the role of wealth in production and expenditure decisions. Individuals or governments in a number of countries are beginning to prepare estimates of wealth to supplement the national income and product accounts. For example, Japan conducted a sample wealth survey in 1955, and the Soviet Union began a complete census of structures and equipment in 1959. In more than a dozen other countries, individual investigators have pieced together estimates from fragmentary and scattered sources.

In the United States, Professor Raymond Goldsmith of Yale University put together rough calculations of the national wealth, by major type, from the beginning of the 19th century through 1958, and followed this with balance-sheet estimates both for the nation as a whole and for major sectors (agriculture, nonfarm households, corporations, etc.). Dr. Goldsmith's balance sheets included financial (intangible) as well as tangible assets, liabilities, and equities. In recent years, the Department of Commerce has published estimates of stocks of selected types of tangible wealth (reproducible business capital goods); and since the mid-1950's the Federal Reserve Board has published partial balance sheets for the nation and its major sectors, which cover financial items but not the tangibles.

It now appears that a major break-through with regard to balance sheets and wealth estimates is in the making. In 1963, the Wealth Inventory Planning Study was set up at The George Washington University, under the direction of this writer, to study the possibilities of a comprehensive national inventory and continuing wealth estimates. The report of the study group, *Measuring the Nation's Wealth,* was published in December 1964 by the Joint Economic Committee as background for hearings in June 1965 by its Subcommittee on Economic Statistics. The subcommittee subsequently issued a report strongly supporting expansion of wealth data collection and estimation by federal government agencies. The Office of Statistical Standards in the Bureau of the Budget is providing leadership to the federal statistical agencies concerned in that effort. The Census Bureau, in particular, is expanding somewhat the question on tangible assets included in its economic consensus, which cover most industries on a five-year cycle, and population and housing in the decadal years. The Office of Business Economics is simultaneously expanding its work in the area of wealth estimation.

It seems likely that official, comprehensive wealth estimates—possibly as part of national and sector balance sheets developed to complement the national income and product accounts—will appear within less than a decade. Certainly, it is none too soon for economists and the interested public to learn more about concepts and measures of wealth, their content, how they relate to balance sheets and the economic accounts generally, and what they are good for.

THE CONCEPT OF WEALTH

In the very broadest sense, a nation's wealth consists of all resources which contribute directly or indirectly to the production of commodities or services that people want. This would include, of course, human as well as nonhuman resources, and in recent years there has been a great renewal of interest in investments which enhance the productive powers of human beings and thus add to "human capital." As a practical matter, however, the collection of wealth data by government agencies will have to be confined, at least for the present, to nonhuman resources possessing the capacity to produce future income or direct satisfactions, and capable of being bought and sold in asset markets. This is simply because of the impossibility of measuring human wealth in any sort of objective way. Some economists, it is true, have become interested in imputing a value to human resources; that is, in assigning a monetary value to human capital reflecting such things as the basic expense of rearing children and the costs entailed in education and training. These endeavors, however, still must be regarded as highly experimental and do not—for the time being—promise a basis for useful qualification. Somewhat arbitrarily, for this reason, the estimation of national wealth by official agencies must be confined to the valuation of nonhuman resources.

From the layman's standpoint, this particular concept of wealth is likely to seem deficient not so much because it omits human capital but rather because it disregards financial assets, such as currency, bank deposits, and securities. And these indeed are relevant to a calculation of the wealth or "worth" of any individual economic unit. The reason they do not figure in the wealth of the nation as a whole is that one person's financial asset is somebody else's financial liability. For instance, a bank deposit is an asset to the depositor but a liability to the bank, while a Treasury bond is an asset to the investor but a liability to the government. When all accounts are consolidated into one account representing the entire country, financial assets and financial liabilities cancel out, except to the extent that U.S. parties viewed collectively have a net-claim or net-liability position vis-à-vis foreigners. It is the combination of the residual net foreign position and real productive resources that constitutes the nation's wealth.

If economists were interested solely in a single figure summing up total U.S. national wealth, data gatherers could ignore the financial veil overlying the economy. Their procedure would simply be to estimate directly the value of tangible asset holdings sector-by-sector in the economy. The sum of these sector amounts, plus net foreign assets, would then give national wealth. It is important to recognize, however, that such an approach would not yield true wealth estimates by sector, since the assets held or used by one particular sector are not necessarily owned by it in an ultimate sense. A company's equity in a mortgaged building, for example, is not measured by the building's market value. Nor can a consumer include in his "net worth" position the full value of an automobile which won't be his until an instalment loan is paid off.

To get at the true wealth of the various sectors of the economy, it is necessary for estimators to proceed by an alternative route, one which does involve intermediate use of financial data. Specifically, the method which U.S. statisticians will be employing in their wealth calculations entails as a first step the construction of sector balance sheets. In conventional accounting form, the left-hand side of each such balance sheet will show holdings of both tangible and financial assets, while the right-hand side will show liabilities and net worth, with net worth arrived at, of course, by taking the difference between total assets and total liabilities. The net worth entry, assuming proper valuation of the sector's assets and liabilities, will constitute that sector's true claim on tangible assets, that is, its owned share of total wealth. National wealth can then be calculated by adding together the net worth figures of each individual sector. This balance-sheet approach to wealth estimation clearly yields much more useful information than would the alternative approach of estimating the value of tangible assets directly. Among other things, it gives both the wealth holdings and the wealth ownership for individual sectors, each of which is of interest to the economist.

Proper valuation is unquestionably the most difficult task facing estimators. Ideally, what is desired is market prices (or proxies therefor), since having such prices makes for comparability among different types of wealth, as well as for consistency with the national income and product estimates, which are valued at market prices. Unfortunately, many of the balance-sheet data readily available are not in the form of current or market prices. Corporate balance sheets, for instance, carry property (land, plant, and equipment) at acquisition costs; thus values are a mixture of previous years' prices. The wealth estimator must try to revalue the estimates to current replacement costs less depreciation, and at least obtain an approximation of market value. Information on the age-composition of assets of various types, appropriate price indexes, and depreciation rates for reproducible structures and equipment are necessary to accomplish this revaluation.

In addition to valuation in *current* prices,

it is also desirable to obtain estimates of wealth in *constant* prices, so that the growth of *real* stocks from one period to another can be measured. The same price indexes used for revaluation of assets from acquisition costs to current prices also can be used to "deflate" current values into constant prices.

RELATION TO EXISTING ACCOUNTS

To maximize their usefulness, it is important that wealth estimates be prepared and presented within a systematic framework consistent with estimates of other variables to which wealth is related. The general shape of such a framework is suggested by the national income accounts—not just as they stand today, but, preferably, as they could be elaborated to include a full range of saving and investment accounts for all sectors of the economy.

The link between sector wealth accounts and sector saving-investment accounts is direct and obvious. At any given point in time, of course, the real wealth held by any sector of the economy is the sum of all that sector's past investments (financed typically in part by its own saving and in part by borrowing), less cumulative depreciation. And the extent to which that sector's wealth holdings grow or diminish in a particular accounting period is determined by how much the new investment made in that period by the sector exceeds or falls short of current depreciation. Thus, apart from price fluctuations, the change in a sector's wealth holdings from one date to another would be precisely equivalent to the net investment which it undertook in that time period. In a parallel way, the change in a sector's wealth ownership from one date to another, as distinguished from its wealth holdings, would be equivalent to its net saving in that period. Changes in market prices of assets will also affect current wealth values, of course; and separate statements can show the effect of such revaluations.

At present the only saving-investment account maintained by the U.S. Department of Commerce is restricted to business investment (including all residential construction), plus net foreign investment. This overlooks the fact that wealth, defined as goods which yield benefits over a number of years, is by no means confined to business ownership of tangible assets. It embraces as well durables possessed by households, structures and equipment owned by governmental bodies, and the inventory stocks of both. Acquisitions of all such items should be classed as investment (and recorded in separate saving-investment accounts for each sector), and stocks of such items should be treated as wealth.

A major advantage of presenting saving-investment accounts by sector is that they can be readily extended into complete capital accounts. That is, in addition to tangible investment, investment in (net acquisition of) financial assets can be recorded, by type; and, in addition to saving, funds obtained through net increases in liabilities can be shown, also by type. Basically, this is what is provided by the Federal Reserve Board's "flow-of-funds" accounts. While this is not the place to describe capital accounts in detail, it can be seen that such accounts (plus revaluations) provide a direct link to sector balance sheets.

ESTIMATES OF WEALTH

The data compiled by Professor Goldsmith spanning the years 1900 to 1958, and extended by this writer to 1964 for this article, can be employed to illustrate some of the general uses of wealth estimates. No problems of consistency are involved, since Dr. Goldsmith's definition of wealth is essentially the same as that recommended by the Wealth Inventory Planning Study. In using his estimates, however, it is appropriate to bear in mind that they may entail considerable error. Many of the underlying data available to Professor Goldsmith were fragmentary, and some of the techniques which he employed in his pathbreaking effort were of necessity relatively crude.

The dollar value of total U.S. national wealth, on the basis of the Goldsmith data, grew some 25-fold between 1900 and 1964—from $88 billion to $2.2 trillion, an average annual rate of increase of about 5% (table at end of article). Approximately half the rise in U.S. wealth during this century is accounted for by inflation in tangible asset prices. Thus, the country's real tangible wealth has grown by about 2½% a year, on average. Since population growth has averaged about 1½% a year, real wealth per capita has risen at an average annual rate of about 1%.

Wealth, people, and product

	1900	1929	1948	1958	1964
Total U.S. wealth:					
In current dollars (billions)	88.0	439.0	928.0	1,703.0	2,223.0
In constant 1947–49 dollars (billions)	315.0	778.0	883.0	1,244.0	1,481.0
Gross national product		104.4	259.4	444.5	580.0
Expressed in 1964 prices		217.8	350.4	486.0	622.0
Population (millions)	76.8	122.4	147.9	175.6	193.4
Per capita wealth:					
In current dollars	1,145.0	3,586.0	6,274.0	9,698.0	11,497.0
In constant 1947–49 dollars	4,099.0	6,355.0	5,970.0	7,084.0	7,660.0
Net national product, in current dollars (billions)	16.0	98.0	250.0	417.0	577.0
Ratio of total wealth to net national product	5.6	4.5	3.7	4.1	3.8

Source: Wealth estimates are from R. W. Goldsmith, The National Wealth of the United States in the Postwar Period, tables A–1 and A–2, extended to 1964 by J. W. Kendrick, assisted by A. Japha. Net national product estimates for 1929 through 1964 are based on Department of Commerce numbers with depreciation revalued to current replacement cost by J. W. Kendrick; NNP for 1900 is based on a compilation by Simon Kuznets.

The forms wealth takes

[As a percent of total]

	1900	1929	1948	1964
Structures	39.8	43.2	48.4	50.2
Residential	19.8	21.8	25.2	24.7
Business	16.4	14.8	12.4	13.1
Public and other	3.5	6.6	10.7	12.4
Other reproducibles	27.5	28.1	30.9	30.9
Producer durables	7.4	8.7	9.4	10.9
Consumer durables	7.0	9.6	9.2	11.7
Business inventories	11.3	8.7	9.3	7.4
Monetary metals	1.8	1.1	3.0	.9
Nonreproducible assets	35.3	25.8	19.3	16.8
Agricultural land	18.4	8.7	6.4	5.7
Business land	3.6	5.2	4.2	3.9
Residential land	8.4	8.2	5.0	4.7
Public land and other	4.9	3.8	3.7	2.5
Net foreign assets	−2.6	2.8	1.4	2.1
Total wealth	100.0	100.0	100.0	100.0

Source: R. W. Goldsmith and R. E. Lipsey, "Studies in the National Balance Sheet of the United States," vol. I, table 11, extended to 1964 by J. W. Kendrick, assisted by A. Japha.

Distribution of wealth by sectors

	Percent held			Percent owned		
	1900	1929	1958	1900	1929	1958
Government	7	9	13	3	2	−2
Federal	1	1	3	0	−2	−8
State and local	6	8	10	3	4	6
Agriculture	27	15	11	20	9	8
Nonfarm households	33	37	38	51	62	63
Nonfarm business	33	39	38	26	26	30
Unincorporated business	8	9	7	5	3	4
Nonfinancial corporations	24	29	30	18	20	23
Finance	1	1	1	3	3	3
All sectors	100	100	100	100	100	100

Source: R. W. Goldsmith and R. E. Lipsey, Studies in the National Balance Sheet of the United States, vol. I, table 1.

As is shown in the bottom line of the table shown above, there has been a declining tendency during this century in the ratio of wealth to national product. (Since the wealth estimates are net of depreciation reserves, it is appropriate to relate them to net national product [NNP], which is gross national product less capital consumption allowances.) Whereas in 1900 wealth was approximately 5½ times the size of NNP, by 1964 the ratio had declined below 4.0. This, of course, is a welcome development, signifying that the nation's stock of tangible assets is becoming more productive—i.e., that the same dollar volume of wealth is producing more income. The improvement in efficiency would appear even more marked if the comparison were limited to the relation between NNP and the stock of producer wealth alone (capital-goods in the conventional sense and producers' holdings of land and inventories). This is because producers' wealth has fallen as a share of total wealth.

The broad types of tangible assets that compose domestic wealth are shown in the table on page 8 for selected years since 1900. At the most recent yearend for which data are available, 1964, about half of total tangible wealth consisted of structures, and about half of these were residential. Almost one-fourth of the total consisted of durables, with stocks of consumer durables slightly larger in value than stocks of producers' durable equipment. Land and other natural resources accounted for about one-sixth of total wealth, almost one-third of which was agricultural land. Inventories, including monetary metals, made up less than one-tenth of total wealth at the end of 1964.

Looking at the change in the picture during this century, one is struck first by the decline in the proportion represented by

natural resources, from more than one-third in 1900 to one-sixth in 1964. In part this has been due to the fact that the acreage of farm land in use has shown little change since World War I; the increase in farm production has been due to rising yields per acre. Also, the value of residential land has declined in relation to total wealth, and to residential structures in particular.

The proportion of all structures in the wealth total has grown from about 40% to 50%. In part this was the result of an expansion in the supply of housing relative to other kinds of wealth; it was due even more to the relative rate of growth in the number and value of nonresidential structures used for nonprofit purposes—schools, churches, government buildings, etc.

Both producers' and consumers' durables have shown large relative growth in this century—together rising from roughly 15% to 25% of all wealth. Inventory stocks fell significantly, in part due to the declining relative importance of agricultural and other commodities in gross national product; but more importantly because of a declining trend in inventory-sales ratios. Monetary metals (gold and silver) were relatively less important in 1964 than 1900.

The wealth holdings of a particular sector of the economy, as emphasized earlier, typically differ from its wealth ownership or net worth. The extent to which this is true can bee seen by examining the data contained in the table at end of article. In 1958, for instance, nonfarm households owned 63% of the nation's wealth, while holding only 38% of it. The agricultural sector, by contrast, held more wealth than it owned. And the federal government, although holding some 3% of the nation's tangible assets (excluding military goods), actually had a minus net worth position, reflecting the fact that its debt exceeded its nonmilitary asset holdings.

The table also reveals some striking changes during this century in sector shares of wealth, on both a held and an owned basis. Most conspicuous is the drastic decline in the share of total wealth held and owned by the farm sector.

Notable also is the very marked deterioration in the federal government's net worth position. Here, however, the picture would be considerably different if the armed forces' military hardware were not excluded from the calculation. Actually, a persuasive case can be made for treating military goods in precisely the same way as other want-satisfying assets. Military goods, after all, furnish the much-wanted utility of national security.

The sharp increase that has occurred since the beginning of this century in the portion of total wealth owned by nonfarm households—from 51% in 1900 to 63% in 1958—dramatizes the mounting affluence of the consumer sector of the economy. In some ways, wealth figures give a better picture of changing consumer welfare than do income figures. The latter do not impute a rental value or "return" to consumer holdings of tangible assets, except for owner-occupied homes. This emphasizes the desirability of having wealth estimates to supplement the income and product estimates, since the two types of measures reveal different facets of national economic development.

This look at the highlights of Dr. Goldsmith's estimates gives some notion of the information and insights that can be provided by wealth statistics. Certainly, recurring estimates in some detail, by type and sector, and in current and constant prices, can significantly increase our understanding of economic movements and relationships, and thus our ability to predict and to formulate policy measures for achieving economic goals. Economists generally are only beginning to understand the nature and uses of wealth statistics. But it is possible that within the next decade or so balance sheets and wealth estimates will become as familiar and widely used as the national income and product accounts are today.

Consumer Balance Sheet

Asset and debt position of American consumer at end September 1965 showed 20.9 to 1 asset-to-debt ratio of all assets and debts excluding those involving homeownership where ratio was 2.7 to 1. Ratio of all assets to debts was 8.0 to 1. Owner's equity stood at 87.5% of consumer assets on September 30, 1965.

Current assets were $1,449 billion with $258 billion in currency and bank deposits, $115 billion in savings shares, $306 billion in insurance and pension reserves, $119 billion in government securities and $651 billion in corporate and other securities. NCFA's estimate of the value of investment company and other preferred and common shares owned by consumers at end September reflects a 5% rise in stock prices during third quarter 1965.

Fixed assets included $529 billion in homeownership and $267 billion as value of durable goods for a total of $796 billion. (Value of consumer held durable goods is total consumer durable purchases October 1956 through September 1965 depreciated 10% annually.) Total consumer assets as of September 30, 1965 were at $2,245 billion. Current liabilities stood at $82 billion and fixed liabilities of mortgage debt at $198 billion to bring total liabilities to $280 billion.

Net worth of American consumer—total assets minus liabilities—was $1,965 billion at end September 1965.

Grand recapitulation of the personalty and realty assets of the U.S. Government agencies, offices, and establishments of the Government, including the Department of Defense, as of June 30, 1966, 1964, and 1963 [1]

[In millions of dollars]

Classification	June 30, 1966	June 30, 1964 [1]	June 30, 1963
PERSONAL PROPERTY			
Cash:			
With Treasurer of the United States	12,407	11,036	12,116
On hand and in banks outside the Treasury	1,224	689	738
Investments (other than public debt)	7,579	5,946	5,843
Accounts and notes receivable	6,183	5,179	5,269
Commodities for sale	3,434	4,673	4,942
Work in process	1,017	812	811
Materials and supplies	8,229	9,098	9,167
Loans receivable	31,717	30,347	28,361
Machinery and equipment	14,608	13,494	13,042
Other assets	13,996	13,660	11,815
*Department of Defense (equipment, supplies, stock inventories, etc.)	143,714	134,912	132,577
Corps of Engineers (equipment, etc.)	311	258	244
Total, personal property	244,419	230,104	224,923
REAL PROPERTY			
Departments and agencies (other than Department of Defense)	23,251	20,206	18,640
*Department of Defense (including Corps of Engineers, civil functions)	46,148	43,599	43,043
Architect of the Capitol [2]	496	471	459
Other (including construction in progress, etc.)	11,071	10,186	9,849
Realty donated or otherwise acquired at no cost [2]	284	290	295
Public domain acreage and mineral resources [2]	21,328	19,024	18,026
Total, real property	102,578	93,777	90,312
Total, all property	346,997	323,881	315,235

[1] Figures as of June 30, 1965, were not compiled.
[2] Computed at estimated present-day evaluation.

NOTE.—All properties reported are shown in gross amounts without deductions for allowances for losses and depreciation. Only wholly Government-owned corporation assets and other wholly owned assets are included. Assets held under trust arrangements and interagency assets, including public debt securities owned, are excluded. The properties have been valued at acquisition cost or estimated cost when the actual costs were not known. Public domain, donated property, and properties under supervision of the Architect of the Capitol are shown at estimated present-day values. Properties acquired as gifts or without cost to the Government are shown at estimated present-day values.

V. Separate Views of the Republicans on H.R. 10328

The undersigned members of the Committee on Ways and Means oppose the enactment of H.R. 10328. The bill would increase the borrowing authority of the Government by an additional $29 billion, superimposed on an increase of $6 billion enacted less than 3 months ago. In the space of only a few months, the Congress is being called upon to enact debt increases totaling $35 billion, the largest since World War II. If the additional $29 billion of debt provided for in this bill is authorized, the limitation on the public debt—and in course the debt itself—will have been increased by $72 billion in 6 years of Democrat administration.

Table 1.—*Debt limit increases and expiration dates under Democrat administrations*

[Dollars in billions]

Public law	Period covered	Debt authorization
87-69 (H.R. 7677)	June 1, 1961 to June 30, 1962	[1] $298
87-414 (H.R. 10050)	Mar. 13, 1962 to June 30, 1962	300
87-512 (H.R. 11990)	July 1, 1962 to Mar. 31, 1963	308
	Apr. 1, 1963 to June 24, 1963	305
	June 25, 1963 to June 30, 1963	300
88-30 (H.R. 6009)	May 29, 1963 to June 30, 1963	307
	July 1, 1963 to Aug. 31, 1963	309
88-106 (H.R. 7824)	Sept. 1, 1963 to Nov. 30, 1963	309
88-187 (H.R. 8969)	Dec. 1, 1963 to—	
	June 29, 1964	315
	June 30, 1964	309
88-327 (H.R. 11375)	June 29, 1964 to June 30, 1965	324
89-49 (H.R. 8464)	July 1, 1965 to June 30, 1966	328
89-472 (H.R. 15202)	July 1, 1966 to June 30, 1967	330
90-3 (H.R. 4573)	Mar. 2, 1967 to June 30, 1967	336
(H.R. 10328)	July 1, 1967	365

[1] Prior authorization of $293,000,000,000 expired on June 30, 1961.

EXCESSIVE DOMESTIC SPENDING REAL THREAT TO THE ECONOMY—NOT VIETNAM

A Democrat administration and a Democrat-controlled Congress have proceeded on the assumption that there was no deficiency in our society which the Federal purse and the heavy hand of Federal regulation could not cure. We have seen each piece of legislation beget more legislation, each new expenditure by the Federal Government beget other expenditures.

The level of domestic spending in the administrative budget alone—wholly apart from our defense requirements in the war in Vietnam—has increased from about $46 billion for fiscal 1965 to approximately $66 billion for fiscal 1968. Two-thirds of the $28.3 billion increase in Federal expenditures from calendar 1963 through 1966—as measured in the national income accounts—is accounted for by nondefense spending. Moreover, as projected in the January 1967 budget message, over half of the proposed $37 billion increase in outlays from fiscal 1966 through fiscal 1968 is to be in nondefense programs.

To finance the expansion of its so-called Great Society—in the face of ever-increasing costs of the war in Vietnam—the administration proposes that the Federal Government go deeper and deeper into debt. This policy has resulted, not only in this proposal to increase the Government's borrowing authority by $35 billion in just 3 months, but inflation at home, an ever-increasing deficit in our balance of payments, disruptive pressures on the financial markets at home, and a concern over the integrity of the American dollar abroad. The American public is being called upon to pay for the administration's profligacy through higher prices, higher interest charges, tight money, and the jeopardy of the future of our economy.

DEBT INCREASE NOT ATTRIBUTABLE TO VIETNAM COSTS

While the proponents of the bill argue that the $29 billion additional debt increase is brought about solely on account of the war in Vietnam, the facts belie that claim. During the past 3 years—which encompass the period of the Vietnam escalation—Federal tax revenues have increased sufficiently to more than offset any costs attributable to the war. The administration seeks this debt increase notwithstanding its estimate that Federal revenues in fiscal 1968, even without a tax increase, will exceed by $28 billion tax collections for fiscal 1965. If the administration had held the line on the domestic front, the increased tax revenues—which are partly attributable to the "feedback" resulting from defense expenditures—would be more than adequate to finance all present and projected costs of the war.

The Secretary of the Treasury told the committee that the Vietnam war was a "costly war." But a budget was submitted by the administration for fiscal 1967, and again for fiscal 1968, on the assumption that we could fight this costly war and at the same time continue unrestrained spending on the domestic front. That is what this bill is intended to finance. It is the direct result of the administration's policy of "guns, butter, and jam."

ADMINISTRATION OFFERS NO ALTERNATIVE TO DEBT FINANCING

Before asking the Congress for a debt increase of $29 billion—superimposed on a debt increase of $6 billion only 3 months ago—the administration should be prepared to offer to the Congress constructive alternatives. The priorities of domestic expenditures should be reappraised in the light of the magnitude of the deficit. However, neither the Secretary of the Treasury nor the Director of the Bureau of the Budget were willing or prepared to discuss any reasonable alternatives.

Under interrogation by the committee, the Secretary of the Treasury steadfastly refused to consider a reappraisal of the priorities of domestic expenditures. He was not even prepared to discuss the proposed tax increase as an alternative to further debt. In a colloquy with Congressman Curtis, the Secretary made clear that he was offering for consideration solely a proposal for increasing the public debt, irrespective of any alternatives: [1]

"Mr. CURTIS. This is what bothers me. I think there is an obligation on the executive to make these decisions. This is where we were last October. You wouldn't give us an estimate on expenditures because you said it was too difficult. Granted it was a difficult thing, but the previous estimates we had were back in the January budget which everyone knew were way out of date, so any new estimates were bound to be better.

"You are asking us to take serious action on fiscal matters in which an item of $4.7 billion is of considerable importance. Now, practically I would observe, the way the administration is handling this request for the 6-percent increase, that there will be none.

"Now, I think there is a responsibility of the administration to make a judgment here. You gave us a judgment in January that July 1 is when you wanted to have this surtax imposed. Now you have gone away from that date.

"Now, what date will you give us? If you haven't made it I think the administration should make it before this committee gets done considering this matter of the debt ceiling.

"Secretary FOWLER. I am not here, Congressman Curtis, to fix any date at this time. I have tried to treat in my statement as frankly as I could the fact and I call your attention to the comments on page 8 that—

"'I am not here today to talk about the tax surcharge. That will be taken up in due course. Let me make a brief comment about the need for the increase.'

"Mr. CURTIS. I read your statement, Mr. Secretary. I know that you have said that, but I as a Member of Congress still have a responsibility not just to my colleagues in the Congress as a member of this committee, but to the people to tell you that the administration has a responsibility to talk about it right now.

"I know you don't want to talk about it. That is clear. But I don't see how you can ask the Congress to render a judgment on the debt ceiling without some idea of what the administration now has in mind on the revenue side."

ADMINISTRATION CONSISTENTLY UNDERESTIMATES DEFENSE COST TO AVOID CUTBACK IN DOMESTIC SPENDING

Instead of acknowledging that the increased cost of the war in Vietnam requires a change in its domestic programs, the administration has consistently underestimated the cost of the war to avert any cutback in domestic spending. For example, in January 1966, the administration submitted a budget proposing defense expenditures of $60.5 billion. This estimate was challenged as unrealistic. However, the administration refused to revise its estimates. In the course of hearings on suspension of the investment credit—some 9 months later—the administration still adhered to its original budget for fiscal 1967. In fact, the President was assuring the people that total expenditures would be cut back by at least $3 billion. At a press conference held at Johnson City, Tex., September 8, 1966, the President was still adhering to his original budget estimates. The President said: [2]

"First, we are reviewing very carefully at the present time the appropriation bills that have reached us. There are some three or four of them that are being examined. There are some eight appropriation bills that have not yet cleared through the Congress. We do not know what they will contain.

"We are asking the executive branch to carefully review their appropriations that have been received and make recommendations as to the low priority items that can be eliminated. We have given a target goal, as you will observe in the message.

"When and as we receive the other eight appropriations bills, we will go through the same procedure.

"We are hoping that in light of this message, and the prudent attention and consideration that the Congress will be giving the remaining eight bills, that they will be somewhere in reasonable proximity of the budget and the request that I made earlier; namely, a budget of $112 billion 800 million." [Italic added.]

It was not until January 1967, when the administration submitted its budget for fiscal 1968, that the Congress and the people were told that fiscal 1967 expenditures would amount to $126.7 billion, not $112.8 billion reported a few months before. Thus, expenditures were $14 billion in excess of estimates made by the President in his news conference of September 8, 1966.

ADMINISTRATION PLANNING $29 BILLION DEFICIT FOR FISCAL 1968

It is not a case of being unable to forecast the cost of a war. Members of the Appropriations Committee of this body apparently have had no difficulty realistically forecasting the cost of the war in Vietnam. The failure of the administration to do so inescapably leads to the conclusion that the understatement of costs was deliberate, and not just an error in judgment. Not only did the administration fail to exercise fiscal restraint, but it kept from the Congress information on which the Congress might have exercised such restraint.

The administration has repeated the same tactic in the budget submitted for 1968. Last January, the administration's budget forecast a deficit of $8.7 billion. The Treasury now "officially" estimates that the deficit for fiscal 1968 will be $11 billion. Notwithstanding this, the administration seeks—and this bill provides—sufficient borrowing authority to accommodate a deficit of $29 billion for fiscal 1968. In effect, the administration is saying that it is not willing to rely on its own budget. In explanation, the Secretary stated: [3]

"As indicated in the table attached to this statement, the projected peak level of debt in fiscal year 1968 is $345.2 billion. This assumes an operating cash balance of $4 billion. Adding to this prospective 1968 deficit, now roughly estimated at about $11 billion, one arrives at about $356.2 billion as an approximately peak debt level in fiscal year 1969. That is before any contingency allowance.

"But as I have mentioned, the deficit in 1968 is vulnerable to greater than usual uncertainties, and we must take account of these in determining a prospectively secure debt limit level to carry through fiscal year 1969.

"One contingency is that Vietnam spending could bulge well above the current estimate.

"Another is the timing of the passage of the tax surcharge.

"And still another is the possibility that

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[1] Hearings before the Committee on Ways and Means, House of Representatives, 90th Cong. First sess. on administration proposal to increase the public debt ceiling (May 15 and 16, 1967), p. 41.

[2] The President's news conference of Sept. 8, 1966, Weekly Compilation of Presidential Documents, p. 1242.

[3] Hearings before the Committee on Ways and Means, House of Representatives, 90th Cong., first sess. on administration proposal to increase the public debt ceiling (May 15 and 16, 1967), p. 7.

corporate tax receipts would fall short of estimates.

"If I were to 'price out' each of these contingencies separately, the total could conceivably be placed somewhere in a $10 to $13 billion range of additional 1968 deficit. It is not reasonable, of course, to expect all the contingencies to work adversely; significantly higher military spending, if it occurred, would make tax action all the more imperative, and would also bolster revenues at existing tax rates.

"Still, the uncertainties are such that I believe it prudent to add a contingency allowance approaching $9 billion to the prospective peak 1969 debt level of $356.2 billion—leading to the recommended permanent debt ceiling level of $365 billion."

If we add to these "contingencies" the additional contingency resulting from the fact that the administration may be unable to borrow an additional $5 billion through the sale of participation certificates in fiscal 1968, the resulting deficit could amount to $29 billion.

When the administration requested the debt ceiling of $365 billion, the Congress and the people were told that this was intended to accommodate any required borrowing to June 30, 1969. When the Secretary was asked how much borrowing authority he would need to carry through to June 30, 1968, his conclusion was that because of these "contingencies" the Treasury would still need a debt ceiling of $365 billion. The Treasury is thus in an anomalous position. The administration adheres—at least for the present—to its estimated budgetary deficit of $11 billion for fiscal 1968. However, the Secretary of the Treasury has come before the committee and suggested that there are contingencies—not provided for in the budget—which could result in a deficit of $29 billion.

THREAT OF $29 BILLION DEFICIT REQUIRES BUDGET REVIEW

Facing a deficit of this magnitude, the administration and the Congress should "stop, review, and revise" our whole fiscal policy. The impact of such a deficit on our economy could be disastrous.

In a recent statement at Rochester, N.Y., the chairman of this committee emphasized the need for reappraisal. After pointing out that in the absence of a reappraisal, the budget deficit for fiscal 1968 could go as high as $29.2 billion, the chairman said: [4]

"I again emphasize tonight that we must continually reevaluate existing expenditure programs in the light of a very objective measurement of the benefits which they convey and the costs which they will impose. Every new program should be viewed not in terms of its first year cost alone, but in terms of what its cost will be 5 years from now, 10 years from now, or perhaps 15 years from now. It is only by this process that the full impact of spending programs can be objectively evaluated in terms of their demands upon the entire economy."

The administration in January submitted a budget for fiscal 1968 showing a deficit of $8.1 billion. Presumably, the priority of expenditures in the budget were evaluated on that basis. If it now appears that without remedial action the deficit may run as high as $29.2 billion, as the chairman of this committee estimates, the reappraisal of all expenditures and the adoption of new priorities are absolutely essential.

Regardless of the urgency of any domestic needs, realistic expenditure priorities must be established in the light of the potential budgetary deficit. It is imperative that the risk of such a deficit be minimized by cutting expenditures. Even some good programs should be deferred, and wasteful programs should and must be eliminated. This is the time for "austerity" at home.

At the same time, a potential deficit of $29 billion requires a new appraisal of revenue requirements. While no one likes to increase taxes, yet an increase must be considered as a step toward reducing both the deficit and the need for an additional $29 billion in borrowing authority.

FAILURE TO ACT MAY BRING MORE INFLATION AND TIGHT MONEY

A deficit of $29 billion for fiscal 1968—financed wholly through additional Federal borrowing—presents a real danger of escalating both price and interest rates in the domestic economy. The economy is already feeling the effects of the administration's fiscal policies. Bond prices are going down and interest rates are going up. The cost of living increased 0.3 percent in April, the largest price rise in the past 6 months. The housewife well knows what this means. If we are to avoid shrinking the food dollar, we must cut back on the Government's spending at home.

To the $29 billion of additional debt, there must be added existing debt which must be financed each year through relatively short-term borrowings. The enactment of this bill will set the stage for a repetition of the conditions which prevailed in the money market last fall, when interest rates reached the highest point in 40 years. Many businesses have not yet recovered from the effects of tight money last fall. A repetition of that mistake could have a disastrous effect on our economy.

IF BUDGET DEFICIT NOT $29 BILLION, DEBT INCREASE NOT NEEDED

On the other hand, if the contingencies which could result in a $29 billion deficit for fiscal 1968 are not real—and are not likely to happen—there is no justification for providing the additional $29 billion increase in the debt limit. For all practical purposes, an increase of $29 billion in the debt limit would remove any effective limitation on Government spending.

DEBT LIMIT CONTRIBUTES TO ECONOMIC STABILITY

There may be those who argue that the debt limit is meaningless, that this bill is just part of a "fiction" which the administration, the committee, and the Congress engage in each year. We disagree. For fiscal 1968 the Government will be paying more than $14 billion—that is more than $1 billion per month—in interest on the Federal debt. There is no "fiction." The increased debt provided for in this bill will entail the payment of about $1.5 billion in additional interest. That likewise is no "fiction." After national defense, interest expense is the largest item in the Federal budget.

The limitation on the public debt is a means whereby the Congress can review on an overall basis the administration's plans with respect to revenues and expenditures. If this review has not served a useful purpose in recent years, it is only because the administration has submitted misleading budgets—both with respect to revenues and expenditures.

In addition, the expenditure restraint that should be inherent in the debt limit serves to protect our currency in the international market. A meaningful debt limit is necessary for this protection. Under our monetary system, the Federal Reserve banks issue currency backed up by obligations of the United States. The debt limit fixes the maximum amount of those obligations which can be outstanding. Unquestionably, the restraint—which results from a realistic limitation on the amount of obligations outstanding—is necessary if we are to avoid a possible "run on the dollar" in the face of our deteriorating balance of payments. The magnitude of the debt increase proposed in this bill could seriously impair the dollar, and could well bring about an unprecedented demand on our depleted gold reserves.

Conclusion

In conclusion, before enacting an additional increase of $29 billion in the debt limit—making a total of $35 billion since the first of the year—the administration and the Congress have the solemn duty and obligation to reappraise the priority of domestic and foreign expenditures—and to consider additional sources of revenue—in order to reduce the need for an increase of this magnitude in the Government's borrowing authority. The administration steadfastly refuses to meet this obligation. Instead, the administration asks Congress to give it a "blank check" to run up a deficit of $29 billion. This we refuse to do.

The failure of the administration to meet its obligations to the American people leaves us no course except to oppose this bill. It is the only recourse left to us. Only by this means can we bring about a reappraisal of expenditures and revenue needs in the light of a threatened budgetary deficit which is intolerable.

JOHN W. BYRNES.
THOMAS B. CURTIS.
JAMES B. UTT.
JACKSON E. BETTS.
HERMAN T. SCHNEEBELI.
HAROLD R. COLLIER.
JOEL T. BROYHILL.
JAMES F. BATTIN.
BARBER B. CONABLE, Jr.
GEORGE BUSH.

Mr. ULLMAN. Mr. Chairman, I yield myself 5 minutes.

I would remind the Members of this House that this year we may very well spend $80 billion for national defense, and we must remember that during World War II our maximum spending—in fiscal 1945—was only $81 billion. So we are spending dollarwise at approximately the same rate we were during the height of World War II.

When you look at the budget this year that is included in this debt ceiling, you see approximately $80 billion directly for national defense. You see $14 billion for interest on the national debt, and over $6 billion for veterans' costs. These are all fixed expenditures over which we have very little control—and they total over $100 billion for defense and fixed expenditures.

So when you contemplate a total administrative budget of around $136 billion, you will see that there is about $36 billion left for all other Federal expenditures. When you put this in perspective by looking at our gross national product—which is well above $760 billion—it seems to me that this country is not in a great financial crisis when it spends $36 billion for nondefense items.

I believe in economy and I think every Member of this House does. But we must remember that when we vote on this bill to limit the Federal debt, we as Members of Congress cannot shift this responsibility to anyone else. It is our responsibility. We authorize and appropriate every dime of expenditure that is spent by the administration, and I think it would be a little bit embarrassing to sit back, as many Americans are doing, and witness us here attempting to shift this responsibility somewhere else.

These are not normal times. As I said before, our military expenses, dollar-

[4] Speech by Hon. Wilbur D. Mills at 75th anniversary celebration, Security Trust Co., Rochester, N.Y. Monday, May 22, 1967.

wise, are at the peak of World War II. We are in crisis today, and we are living in a world where crisis piles upon crisis. If we are going to tie the hands of an administration during these times by refusing to let them pay the bills that we authorized and appropriated, in my judgment we are failing the American people in our responsibilities to them.

I do not agree that we can have guns and butter. I believe there are a lot of things we should be cutting down on, but this great Nation can afford guns and bread. We have great problems here at home, and we cannot kick them under the rug. If we delay their consideration, they are only going to pile up on us. We must face up to the critical domestic problems we have.

I am not saying every dollar we spend is wisely spent, and our Appropriations Committee looks into these matters. I hope we will look into them more carefully in the future to make sure that they are spent wisely. But, believe me, we cannot cut $36 billion for nondefense, nonfixed expenditures and resolve the critical problems that face this Nation today.

At a time when every American is willing to tighten his belt, we need leadership; we need it on the administration level, and on the congressional level. Americans are willing to tighten their belts, if every other American and every other segment of our economy likewise tightens their belts. It is a great challenge to us and to the administration to come forward this year with that leadership.

If we need tax increases, let us put the tax increases where they are equitable. If corporate profits are too high, let us cut into corporate profits. If the only way we can achieve economic stability is to selectively return to excise taxes, let us go back to excise taxes. But let us use some imagination and ingenuity.

There is no easy way out of this kind of problem. The suggestion of the committee minority, proposed this afternoon, sounds like an easy way out, but, believe me, it will not bear the light of examination.

I am going to talk just a minute or two about the part of the bill that is of most concern to me. That is the Secretary of the Treasury's recommendation that the committee lift the ceiling on long-term obligations to the extent of $2 billion, and redefine a U.S. Treasury note to extend its maximum maturity to a 10-year period. These notes have been historically limited to 5-year maximum maturities, and I remind my colleagues that they are exempt from any statutory interest rate limitations.

I so strongly opposed that proposal that I would be here in the well today talking against the passage of this bill had we accepted the recommendations of the Secretary of the Treasury. The Treasury, in my judgment, is looking for an easy way out, too.

Certainly it would be easier for them to finance the national debt if there were no ceilings and if they could go into the marketplace and sell long-term obligations at 6 percent or 7 percent. It would make their job easier. But what would it do to the American economy? What would it do to our basic standards of interest rates that we have lived with these last 48 years and under which we financed two major wars?

Let us go back. What was the long-term interest rate in World War II? Approximately 2.5 percent. We financed World War II at 2.5 percent. We financed Korea at about 3 percent. Under present and existing law, it is completely possible to do the same thing today. It does not take any act of Congress. It takes some change of values and a change in the tone of leadership on the part of both the administration and the Federal Reserve Board and on the part of Congress, too. It is another part of the belt-tightening process that, if this crisis gets any deeper, we are going to have to look into—because we cannot finance a major war at the kind of interest cost we are paying today.

So when this matter came before the committee I made my position clear. As the chairman said, the Secretary and I were instructed to talk over the matter and to arrive at an agreement. We had a very lengthy conversation. We went into the matter in great depth. I will not say that we arrived at a mutual agreement. The chairman indicated that was the case, but I would say it was, on the part of the Secretary, a "reluctant agreement." The formula we arrived at, which is in this bill, eliminates the $2 billion of long-term indebtedness free from the interest rate request and confines the change in definition of notes to an extension to 7 years. The Secretary finally conceded that this would give him some flexibility in his efforts to lengthen the debt.

This compromise will give the Secretary some flexibility. This will allow him considerable authority in his efforts to control the lengthening of the debt.

I believe it is a reasonable compromise between the Secretary's original position, which I so strongly opposed, and my concern that the 4¼ ceiling on bonds be preserved.

I am serving notice that as of right now, in my judgment, this is a long-term solution, not an eating away solution, and I will not now or in the future agree to further lengthen the 7-year definition of a note. I will continue to be adamant in my opposition to any lifting of the long-term ceiling which is now in the law, and has been for 40 years.

I do this on the basis of the fact that the administration and the Fed do have the power and the authority, if they wish to use it—and we have a responsibility to use our fiscal power and our authority—to so manage the economy so that the interest rate structure will be kept at a level which permits the whole of the American economy to survive.

Last September we were able, by action in Congress and by the Fed, to turn the tide of interest rates and get them going down. I am greatly concerned today that the trend has turned again, that the long-term interest rate structure is increasing again. The money markets are tightening. We could very well be in another financial crisis this summer.

This is why I call upon the Federal Reserve System and the administration to take strong action to keep the economy under control.

Mr. Chairman, I join this afternoon with the majority of the Committee on Ways and Means in recommending to the House H.R. 10328. I have discussed with many of my colleagues, and with the administration, my serious reservations for some features of this important legislation. However, after careful deliberation, I have concluded that the bill we are now considering is a sound attempt to place a realistic limit on the public debt, while providing the Secretary of the Treasury with some useful tools for discharging his responsibilities in the arena of debt management.

Only 4 months ago, the Congress was required to suspend its business and grant an urgent "temporary" limitation of $336 billion to the "permanent" public debt limitation of $285 billion. The Secretary of the Treasury was scrambling to pay the Nation's bills in the wake of the tightest money in 40 years and under the extraordinary demands of a major military commitment. America's involvement in Vietnam has not lessened, and we are threatened today with even more serious problems in the Middle East. To fulfill these obligations swiftly and surely, this Congress must provide for possible extension of the public debt, while maintaining the financial discipline implicit in the Second Liberty Bond Act.

Temporary limits on the debt automatically expire with each fiscal year and, as we have seen in recent years, frequently require temporary extensions. These temporary limitations have become so commonplace that they have lost all impact as a restraint to spending, and are merely an encumbrance on legislative planning.

The committee's recommendation that we abandon the temporary designation will put an end to this deception. Further, by setting the limit at $365 billion, we may hope that the Congress will have ample opportunity to frequently review the Government's fiscal operations without the pressures which accompanied last February's consideration of the public debt limit.

Before continuing, I wish to emphasize that the large increase in the limit is not an invitation to expand our nonmilitary expenditures at this time. In view of our international commitments, the Congress must exercise vigorous restraint and postpone unnecessary domestic spending.

Another provision of this bill includes certain participation certificates in the debt limit. During our earlier consideration of the public debt limit, H.R. 4573, I emphasized my consistent record in opposition to these financial instruments. At that time, I recommended that we suspend further use of sales participations. Since that time, the House has in fact removed authorization to sell $2.4 billion of these certificates. In the light of this development, there is considerable doubt whether or not the administration will succeed in marketing an estimated $5 billion of these expensive certificates in fiscal 1968. But if all or part of their expectations are realized, the accounting

for these sales belongs under the debt limit.

When our committee discussed H.R. 4573 on February 8, it seriously considered including participation sales under the limit. At that time, I recommended comprehensive study of our budgetary and accounting procedures before the matter could be definitively settled. Since those discussions, the President has established a Commission on Budgetary Concepts. I am hopeful that this Commission will determine the proper treatment of all contingent liabilities, including the participation certificates.

Mr. Chairman, the final provision of the bill before us today recommends that the maximum maturity for U.S. notes, as authorized in section 18 of the Second Liberty Bond Act, be extended to 7 years. As many of my colleagues are aware, this recommendation represents a compromise between the Secretary of the Treasury's request for flexibility in debt management and rigid adherence to the 4¼-percent ceiling on Government bonds of over 5 years, which has served us so well for half a century. Because of the role I played in achieving the 7-year recommendation, I would like to explain in some detail my position on this matter. As a Representative from the Nation's No. 1 lumber-producing State—vitally dependent on a healthy home-building industry and mortgage market—I have stood in Congress for 11 years in opposition to high interest rates. Through the Eisenhower, Kennedy, and Johnson administrations, I have condemned policies of the Executive and the Federal Reserve Board which have permitted interest rate escalation. The homeowner, the homebuilder, the small businessman, the farmer, the person living on a fixed income, States, and municipalities—and the Federal Government—simply can't afford the debt service costs which peaked last summer and still prevail in the long-term money markets.

When the House considered H.R. 4573, I stood on this floor and warned the Congress of the consequences of abandoning the 4¼-percent ceiling on long-term Treasury bonds. I am proud to say that the House did not accept a recommital motion which had as its objective the elimination of the long-term ceiling. By a record vote of 155–261—although final passage possessed a margin of only 16 votes—the House of Representatives emphatically rejected abandonment of the 4¼-percent ceiling.

Last month, Secretary of the Treasury Fowler came before our committee with a more modest request. To gain flexibility in debt management, he averred that it would be helpful to permit $2 billion of bond issues above the traditional ceiling, and to extend the definition of U.S. Treasury notes to a maximum maturity of 10 years.

The Secretary faces some very difficult problems in the management of the public debt, particularly in this time of national emergency. We are in a war of major proportions, and face the threat of additional involvements in our determination to build the foundations for a peaceful world.

If it were not for Vietnam, we would have a balanced—perhaps even a surplus—budget and extension of the public debt would not be necessary. But we have these commitments, with their attendant budgetary problems, and it is the duty of the Congress to provide for the financing of our obligations.

Three previous times in this century we have encountered similar war budgets with substantially the same laws as today. The 4¼-percent ceiling was adopted to meet the obligations of World War I, and served us well throughout World War II and the Korean conflict. The Treasury financed the Second World War at long-term interest rates in the vicinity of 2.5 percent, and the Korean war at rates under 3 percent. The average maturity of the public debt for World War II was close to 9 years and almost 7 years for the Korean involvement. What permitted these reasonable interest costs and healthy maturities? During both World War II and the Korean war the administration carefully coordinated their public debt operations with the Federal Reserve System. When bills, notes, and bonds were issued to finance the war, the Federal Reserve would buy at fixed prices in the open market. This policy successfully kept interest rates down, permitting reasonable carrying costs for the enormous public debt, assuring confidence in the Government's obligations, and easing the reconversion to a peacetime growth economy at the cessation of hostilities.

This coordination was abandoned in March of 1951. The Federal Reserve, in their belief that high interest rates and tight money would slow post-war inflation, stopped pegging Treasury issues. Interest rates on Federal bonds were left very much to the whims of the money markets.

The Open Market Committee of the Federal Reserve Board has the same authority today to coordinate its operations with Treasury borrowing that it did during the earlier military crises. Let no one say that the Government does not have the power under existing law to restore reasonable interest costs to public financing.

The underlying assumption of those who wish to lift the 4¼-percent ceiling on long-term issues is that the Treasury is subservient to the money market. During times of balanced budgets—when debt operations are primarily refunding—this may have some validity. But when a national emergency exists and severe dislocations in our economy result, the Government must exercise its ability to be the controlling factor in the marketplace.

The Federal Reserve need not acquire every Treasury issue or set the interest rate. The mere presence of the Fed in the marketplace—and this was demonstrated again last week—will force interest rates down in all sectors of the money market.

Mr. Chairman, this Nation must not permit the self-serving money interests to profit from the war economy. We have the means of financing our obligations at reasonable and sensible interest costs below the 4¼-percent ceiling.

The Secretary of the Treasury is alarmed by the diminishing average maturity on the public debt, and I, too, am deeply concerned. The average length of the Federal debt has declined to 4 years and 5 months, and Secretary Fowler fears the consequences of sole reliance on short-term financing if interest rates zoom back to their lofty heights of September 1966. Further, he notes the failure of the Treasury to issue a new obligation of more than 5 years since May 1965.

How did this situation develop? As my colleagues know, I have repeatedly scored the administration and the Federal Reserve for their overreliance on monetary restraints to combat inflation. The tight money policies pursued in 1965 and 1966 by the executive branch brought us to the brink of financial panic last September, and today accounts for the dilemma the Secretary is faced with in his debt management operations.

First, let us consider the diminishing average maturity on the public debt. I noted earlier that the average maturity of the public debt was nearly 7 years during the Korean war. Except for a slight improvement in the early sixties, it has deteriorated seriously since 1950. During the Eisenhower administration, the Treasury pursued a peculiar policy—it refrained from issuing long-term obligations during the boom periods because of high interest costs—and it refrained from issuing bonds in the three recessions of the 1950's because it feared loss of liquidity by tying up investors in long-term securities.

By 1960, the average maturity was down to 4 years, 4 months. In this decade, the Kennedy-Johnson administrations attempted to improve the situation. Between 1961 and 1965, long-term public offerings of Government bonds jumped from 22.2 to 40.8 percent of all coupon issues. However, in mid-1965, interest rates in the long-term marketplace made further bond issues prohibitive. Of course, as I have said previously, there has been no effective Federal Reserve-Treasury coordination of public debt financing.

The Treasury has complained about the statutory ceiling for years. The supposed problems caused by the 4¼-percent ceiling during this period are questionable. Even when bonds could be issued below this level, there was a negligible lengthening of the public debt. Part of the difficulty can be laid at the door of the Federal Reserve. In amassing its present portfolio of $45 billion in Federal securities, the record shows that the Federal Reserve has followed a bills-only policy since March 1963. My learned colleague from Wisconsin [Mr. REUSS], in a carefully prepared statement in Monday's RECORD traced the history of this policy and showed that a mere 3.07 percent of the Fed's $45.5 billion portfolio is in over 5-year bonds.

It should be pointed out that last week the Federal Reserve engaged in heavy buying of long-term bonds. Whether this represents assistance for the mortgage and other long-term markets, or is a revival of Operation Twist—buying long and selling short—for balance-of-payments reasons, or some other consideration, will not be known for some time.

The Fed muffed one opportunity already this year to really help the long-term market. In February, 20-year Government bonds relaxed from their high of 5.12 during the tight money crisis, to 4.44 percent yield in the secondary market. Prompt and immediate action by the Fed and the Treasury at that time would have kept the decline going—to the benefit of the entire long-term marketplace and the Nation. Instead long-term rates have rebounded, and these same bonds are now yielding 4.91 percent interest.

In fact, municipal, corporate, and Government bonds are on the way back up the interest ladder. The best municipal bonds are trading around 4 percent—their September high was 4.17; and the corporate Aaa are close to 5¼ percent. Conventional new home mortgage rates, which lag behind other market prices, show a miniscule improvement at 6.41 percent from their 40-year high of 6.49 last December. To put the mortgage rate situation in perspective, a $15,000 conventional 20-year mortgage which went at 5½ percent in December 1965, would cost $2,000 more for the home purchaser at today's 6½ percent rate.

Market experts see many reasons behind the failure of the long-term rates to follow the improvement in Treasury bills and investment paper. Banks, remembering the pinch last year, are investing heavily in short-term securities and making short-term loans, in expectation of a tight money Federal Reserve policy later this year. Corporations, unable to borrow long in sizable amounts, are floating bond issues, and clogging the long-term markets with unprecedented demands. The corporations have sold $4.6 billion worth of bonds on the public markets in the first 4 months of this year. Corporate treasurers then turn around with the proceeds of a bond issue and invest in short-term securities rather than let the money lie idle. Many traditional investors in mortgages are staying away from the market or turning elsewhere. Insurance companies and pension funds are lured away by the attractive yields in corporate and municipal bonds. Savings and loan associations are still consolidating their position from last year's drain on their resources.

Under these circumstances, it is hardly advisable for the Treasury to enter the long-term marketplace. If the Treasury was permitted to disregard the 4¼ percent ceiling at today's rates, we would tie up large portions of the debt at 5 percent costs for 10 and 20 years. It is also reasonable to conclude that the dislocations in the money market would be even more severe if new high-priced long-term Treasury bonds were active in competing for funds. Therefore, I refused to accept the Secretary's request for authority to issue $2 billion in Treasury bonds irrespective of the statutory ceiling.

The Secretary's recommendation that the U.S. note be redefined does have some merit, particularly if it results in a lengthening of the debt.

The problems of borrowing by governments and private borrowers are affected far less by the average maturity of the debt than by the overall adequacy of the supply of credit. Yet, it is advisable to improve the mechanism for extending the maturity of the debt only when money supply is expanding.

By the way, I have no quarrel with the recent policies of the Federal Reserve in this regard. In the first quarter of 1967, money supply increased by a 6.5 percent annual rate. The net free reserve condition of member banks of the Federal Reserve System remains around $250 million, indicating that the Fed will continue its easier money trend.

Increasing the length of the debt in a recession, or in a plateau economy, does have certain benefits. Selling longer securities may be done for the purpose of retiring shorter debt, thus tending to drive short-term rates down. This encourages banks to expand loans instead of using their funds for short-term investment. It therefore assists in meeting the demands of business.

Of course, with proper Treasury-Federal Reserve coordination, buying long and selling short in a plateau period will result not only in a healthy lengthening of the debt, but may have some balance-of-payments benefits. An expanding money supply must be available under these circumstances to avoid an adverse effect on housing and other economic areas sensitive to long-term rates.

The Secretary informs me that roughly half of the 5- to 10-year debt outstanding is in 6- and 7-year maturities. This portion constitutes 5½ percent of the total outstanding issues. To permit the Secretary to utilize this portion in his present debt management difficulties would provide some modicum of relief.

It is for these reasons that I sympathize with Secretary Fowler's desire to lengthen the debt and support the committee's recommendations to permit an extension of Treasury notes to 7-year maturity. In February, the Treasury issued their most recent offering of 5-year notes, at a 4¾ percent interest cost. I would hope that the Secretary resists the temptation to use the proposed authority to tie up the U.S. Government for 7 years at this type of rate. Any additional competition that might be added to the long-term market at this time would be particularly unfortunate.

Mr. Chairman, before concluding my remarks I would like to make some brief comments on the allegation that the size of the Federal debt is the greatest inflationary threat to our economy today.

The only way that you can realistically assess Federal spending and the Federal deficit is in relation to the Nation's ability to produce. As a percentage of our gross national product, Federal spending has declined steadily from a high of 134 percent in 1946 to 41 percent in 1967. Far from dramatically increasing, the Federal deficit itself has expanded only 16 percent since the end of World War II. By contrast, the debt of State and local governments has multiplied eightfold, debt of individuals is 820 percent as large, and corporate debt is 640 percent greater than it was in 1946.

Any increase in spending does have an inflationary effect. But, as the tight money crisis of 1965 and 1966 proved beyond a doubt, the inflationary villain is to be found in corporate overexpenditure on plants and equipment, overextension of consumer credit, and high interest escalation.

I warned this House, on March 16, that the restoration of the investment tax credit was premature. The expectations of the money market outlined above, and the repeated predictions of the Council of Economic Advisers, lend credence to my fear that we may have re-created the conditions for another tight money crisis.

On the consumer credit point, I would like to bring to my colleagues' attention an unpublished Commerce Department study cited in the May 31 Wall Street Journal. According to the article the average family in the United States spends a fantastic 22 percent of its income in debt service charges on mortgages, installment charges, and other loans. This percentage has doubled since 1949, and suggests that consumer credit has provided an inflationary source of tremendous proportions.

Mr. Chairman, in conclusion I would like to emphasize again that now is the time for the Federal Reserve Board to live up to their public trust; now is the time for the administration to take the initiative in coordinating their policies with the Federal Reserve; now is the time for the Congress to exercise their fiscal responsibilities to eliminate nonessential programs. The immediate issue today is to raise the public debt to levels consistent with the demands of the Treasury and the financial discipline of the Congress. The real issue is to provide orderly growth for a wartime economy at reasonable interest costs. H.R. 10328 will contribute to these goals.

I recommend favorable consideration of the committee's bill, H.R. 10328.

Mr. COLLIER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, there has never been a time in the history of this Nation that our fiscal situation has been in a worse mess than it is today and it has developed through policies adopted by the past two administrations and condoned and even approved by the majority of the Members of Congress.

Budget estimates have gone from bad to worse, and those submitted by President Johnson in January seem to depart farther from reality as each month passes. To go into any detail on the miscalculations for the current fiscal year and discuss the illegitimate deductions made for the so-called participation certificates would be repetitious of the contents of the minority report and dialog that has been presented on the floor of the House since the inception of the participation certificates program of gimmickry.

Relating to the public debt—a nationally known economist and syndicated writer said:

> The outlook is appalling, yet few Congressmen seem to be appalled by it. Mountains of figures are dull and confusing. When the administration presents three different budgets—administrative, cash, and "national income accounts"—confusion and apathy only increase.
>
> Besides—

He says—

criticizing big spending and deficit financing seems to have proved futile in the last 35 years and looks even more futile today.

Yet the consequences of deficits get constantly more serious. Huge deficits mean huge Government bond offerings to pay for them. This prospect has been depressing bond prices and raising long-term interest rates. Increased budget deficits also lead to increased deficits in the balance of payments. In sum and substance, we face a situation in which the confidence in the dollar is undermined and huge deficits have caused inflation which has eroded the purchasing price of the dollar.

During the six terms that I have been a Member of this legislative body, I have been subjected to certain criticisms in certain places, and particularly during political campaigns, for my opposition to particular authorization and appropriation bills and to new and sometimes wasteful spending programs. There are those of us who are frank to admit that everything that might be desirable in the way of federally sponsored programs is not always fiscally feasible. It is also a fact that opposing certain Federal programs naturally deprives various segments of our citizenry of the bounties of the Federal dole which can often be translated into votes for more liberal spenders on election day. Failing our responsibility—we had a responsibility to be prudent, we failed in that.

Even those things which go beyond our domestic frontiers have been furnished from Washington without fiscal judgment and often without rhyme or reason. For example, 10 years ago I suggested in opposing the foreign aid bill that we were pouring money down the drain in the case of arming small nations around the world and I suggested at that time that we divide our aid bill into three separate and distinct categories: technical assistance, economic assistance, and military assistance.

Looking at the world situation today and recognizing that we have poured nearly $4 billion into the Arab bloc, $350 million of which went for military aid to these nations, is either evidence of the folly of our actions or a confirmation of the position I have taken in this regard since that time.

Other programs involving big spending have been punctuated with waste and maladministration as the monstrosity of bureaucracy grows. There is hardly a Federal program that has not mushroomed to the point where Federal tax dollars are dissipated in a shameful manner.

If ever there was a legislative measure which embraces a demand for some serious reevaluation of both foreign and domestic spending programs, it is the bill before us today. Its roots go even deeper than the increasing burden upon the taxpayers of this country. It goes deeper than the specter of an eventual socialistic system. Rather, it resolves itself to a matter of good, commonsense in the conduct of our fiscal affairs. The theorists who have nurtured the Keynesian philosophy must today recognize the pitfalls of the thinking that seems to have permeated our Government hierarchy in recent years.

And with all of the bloated programs, well meaning as they may be in some cases and politically motivated in others, the Great Society that they were intended to create leaves us with a view of a pretty dismal picture of turbulence both at home and abroad. Perhaps it is not too late to reconnoiter and make some reappraisals and that is what I sincerely hope this Congress will do in the months ahead. Never have we had a more demanding responsibiilty.

The CHAIRMAN pro tempore (Mrs. MINK). The time of the gentleman from Illinois has expired.

Mr. COLLIER. Madam Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL of Virginia. Madam Chairman, every time we bring up the question of the increases of the debt limit for discussion the statement is made over and over again that the good faith and credit of the U.S. Government is at stake, and that under no conditions should we permit a situation to develop where the U.S. Treasury is unable to pay its bills and meet its obligations.

Of course, Madam Chairman, economic chaos would develop and the credit of the United States would be placed in jeopardy. This point is made, however, in order to make it appear that we have no choice but to vote for the pending debt increase legislation. And, this point has been made several times here today.

I should like to point out at the outset, Madam Chairman, that all of us agree that we must pay our bills. We must meet our obligations. We should all stand together in demanding that whatever revenues are necessary to pay our bills to provide for a sufficient national defense, particularly at a time when American troops are fighting on foreign soil, should be provided.

But, Madam Chairman, I do not agree that an arbitrary increase in the debt limit is the best answer to this problem. I think at best it is an oversimplification; it is the most dangerous and irresponsible way to solve the problem and, at the very worst, it is the most unfair way, because we pass it on to future generations to pay.

I agree one of the good features of the bill is we are eliminating this fictitious $285 billion temporary increase. There is nothing temporary about a debt limit, any more so than there is anything temporary about a tax increase.

As I said before, there is nothing more permanent than a temporary Government building built during the war here in Washington. But experience tells us that the "temporary debt ceiling" runs a close second. It is silly to think that at the rate we are going we are ever going to be able to reduce our national debt. In fact, unless the administration shows a willingness to hold the line on domestic expenditures, we will be increasing the debt ceiling again next year.

When I said we were considering an arbitrary increase in the debt ceiling, I did not mean it was arbitrary from the standpoint of the Committee on Ways and Means. There has been a lot of study and hard work given to this entire problem by the committee, by the staff of the Joint Committee on the Internal Revenue Taxation, and particularly by our chairman.

Our chairman has done a splendid job in prodding and probing and trying to find out the proper amount to raise this national debt ceiling. I think the committee has done an excellent job with the information that has been made available to it.

I think the increase is arbitrary, however, from the administration's standpoint, because the debt level proposed in this bill is based on a series of deceptions and misrepresentations by the administration over the last 2 years. We must oppose this bill in order to require the administration to submit an honest budget, recognizing that the demands of the Vietnam war require that new priorities on domestic spending be established.

The administration has consistently told the American people that they can have guns and butter—that they can finance a major war in Southeast Asia and continue to undertake multibillion-dollar programs of social welfare on the domestic front. In order to convince the American people of the possibility of attaining both these goals, the administration has consistently underestimated the cost of the Vietnam war.

In its budget estimates for fiscal 1967, the administration budgeted $10.3 billion for the Vietnam war. As late as September of last year the administration was still adhering to its budget estimates submitted to the Congress in January 1966. Not until 1 year later—January 1967—did the administration admit to the Congress that the Vietnam war would cost nearly $20 billion, almost twice its original estimate. However, during the interim, it was apparent to everyone that the administration's estimates were no longer valid.

The chairman of the House Appropriations Committee, Congressman MAHON, indicated last August that expenditures of the Vietnam war were greatly underestimated, possibly by as much as $15 billion for fiscal 1967. The chairman of the Senate Preparedness Investigating Subcommittee, Senator STENNIS, made similar statements.

In addition to understating the cost of the Vietnam war by 100 percent, the administration attempted to understate expenditures by a new gimmick—participation sales. Participation sales certificates are in essence a new Government security which is outside the debt limit. The proceeds from these sales are accounted for as a reduction in Government spending. Through this "gimmick," the administration understated the size of the deficit.

Finally, receipts were distorted through a series of one-shot revenue measures—accelerated corporate payments, graduated withholding, and semimonthly deposits of income and payroll taxes withheld by employers. This temporary bulge in income made the Government's fiscal affairs look much healthier than they actually were.

Many of us in the Congress pointed out

that the administration's economic and fiscal forecast, as well as its proposals for domestic spending, were based on misleading and outdated estimates. Instead of revealing the true facts to the Congress and the American people, the administration claimed that we were opposed to programs for the poor, programs to solve the problems of the cities, aid to education, and other proposals. This is simply not true.

We were concerned that by misleading the Congress, vastly increased expenditures for domestic programs, when added to the Vietnam expenditures, would cause inflation, drive up interest rates, result in economic dislocation, and adversely affect our balance-of-payments problems. Unfortunately, the administration remained obstinate and our prediction came true. Interest rates reached their highest level in 40 years last fall. The Consumer Price Index increased from 109 in March of 1965 to 115 in March 1967—an increase of 6 percentage points.

When Republicans in the Congress asked for accurate cost estimates for the Vietnam war so that priorities on domestic expenditures could be adequately considered by the Congress, the administration accused us of wanting to make "the poor pay for the war." In fact, the poor are paying for the war because of the severe inflation caused by the administration's policies. Inflation is a cruel tax affecting the poor more adversely than any other element in our society. As under previous Democratic administrations, the poor are paying more and they have less to pay it with.

The American public expressed its disapproval of this performance at the polls last November, but the administration failed to get the message. The nearly disastrous performance in connection with the 1967 budget is being restaged in connection with the 1968 budget. Expenses of the Vietnam war are deliberately being underestimated. Expenditures and the deficit are being artificially reduced through the participation sales gimmick.

The Congress is being urged to provide both guns and butter, and is being misled about the price of both items. Interest rates are going up again. Inflation, as measured by the Consumer Price Index, is creating a real problem for all of our citizens. The housewife, the homeowner, and particularly the poor are paying for the deceptions of this administration.

Of particular concern to me is the impact the administration's deception may have on the international financial situation and America's balance-of-payments problems. The willingness of foreigners to refrain from cashing in dollars for our dwindling gold reserves depends on the faith they place in the fiscal integrity of the U.S. Government, and the determination of the administration to maintain a sound dollar.

For the second year in a row the administration is showing the world that its credibility is suspect. They underestimated defense expenditures for Vietnam in fiscal 1967 by $10 billion; in fiscal 1968 they have underestimated these expenditures by at least $6 billion. They underestimated the deficit for fiscal 1967 by around $10 billion; in fiscal 1968 they underestimated the deficit by perhaps $29 billion.

This administration shows no readiness to maintain the value of the dollar. President Johnson is encouraging—even demanding—that large domestic expenditures be authorized by the Congress at a time when we may be running the largest deficit since World War II. The increased demand generated by this expansionary policy is bound to increase imports—a critical factor in the decline of our export surplus over the last 2 years. By driving up the price of American goods we impair the ability of our industries to compete in the international market and drive down exports.

It is time for Congress to call a halt to this fiscal subterfuge and strike a blow for integrity on the part of the U.S. Government. By voting against this bill we can require the administration to provide the Congress and the American people with realistic estimates about the Vietnam war, estimates provided to the Business Council only last month by the familiar "administration sources." We can demand that the administration develop domestic spending priorities based on the $20 to $30 billion deficit actually contemplated for fiscal 1968, rather than the $11 billion estimate the administration is adhering to for political purposes.

Certainly the relative priority of proposed expenditures must be readjusted if we are facing a deficit of nearly $30 billion instead of the $9.7 billion deficit on which the January budget message was predicated.

Economic necessity requires that we abandon the fiction that the increase in our national debt limit is due to the increase in defense expenditures.

Expenditures have been going up in all areas for the past 6 years.

Military expenditures have gone up 54 percent since 1961.

Nondefense expenditures have gone up 59 percent since 1961.

We are still adding more to nondefense programs and still trying to have more and more butter and jam along with the guns. We are not exercising restraint commensurate with the present fiscal posture of this Nation.

When we were considering an education bill 2 weeks ago providing for an expenditure of approximately $3½ billion, the principal argument was whether or not the State or the Federal Government would exercise more control over the program, and which plan would give the States and localities the most money.

Not one word was mentioned as to the necessity of adding the cost of that program onto the national debt, or that the Federal Government was not taking in enough revenue to pay for the cost of the program.

There was no great amount of consideration given to the shifting of responsibility from the local communities to the Federal Government; or that the program itself would result in the construction of additional schools or better schools in this country, or that the States and communities were better able to solve their educational problems.

The primary issue discussed during that debate was which side or which group could present themselves as providing the most money for schoolchildren and motherhood.

Of course, the poverty program is another example of a nonessential boondoggle. We can use thousands of examples from that program.

I have a very interesting example that appeared in the Washington Post of May 29, written by William Raspberry—a Negro. I point that out because whenever you criticize a program in which Negroes are involved, you are charged with being inconsiderate of that particular group.

The title of this particular article had reference to summer jobs going begging here in the Washington area. This is the type of thing that is making this debt increase today necessary.

He pointed out in this article that the National Capital Housing Authority—and incidentally this is a federally financed organization and a federally financed program—was advertising a stay-in-school program in this particular housing development, offering jobs, 16 hours of work per week for teenagers living in this public housing development at the rate of $1.40 an hour.

After expensive advertising in the project itself, only 98 applications were made for the 154 available positions.

Then there were 300 full-time jobs available for teenagers from 16 to 21 years of age—full-time summer jobs and only 43 applicants showed up for 300 vacancies.

Then there were 50 adult positions open as supervisors and only four applicants—and those four were women.

There were 20 other vacancies for laborers in other housing projects and there were no applicants for those jobs.

Mr. Raspberry concluded that the so-called poor people did not seem to want to work and suggested that the United Planning Organization—which is the group that administers the poverty program—should send some of their warriors out to find out what is the trouble.

There are a lot of other "political mileage" programs that should never have been originated that cost billions of dollars of Federal funds. They also involve the loss of untold billions of dollars because of a lack of production and a lack of incentive that is created as the result of such programs.

That is the reason why this debt increase is necessary this afternoon. It is not due to an increase in military costs. Of course, the second alternative is a tax increase and I think we are going to have one. It is going to be unpleasant, undesirable and politically unpopular—but so is inflation and so is tight money and so are high interest rates—all of which are inevitable with continued deficit financing.

In conclusion, Madam Chairman, we should reject this bill before us because it is based on inaccurate, incomplete, and outdated information. The Founding Fathers provided the legislative branch of the Government with the "power of the purse" in order to insure a balance of powers within our constitutional sys-

tem. Under our Constitution, a revenue-raising measure must originate in the House, the most representative body. Congress will be abdicating these powers if it continues to exercise them without the necessary facts. I urge all of my colleagues to weigh these issues carefully and vote against any increase in the debt until the administration provides the American public and their representatives in the Congress with a new set of expenditure priorities and with realistic revenue estimates based upon the actual facts—not the underestimates, overestimates, contingencies, and other myths that have been making up the fiscal dream world the administration has been inhabiting.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield such time as he may consume to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, I rise to voice my opposition to the administration's request for a $29 billion increase in the debt ceiling. The administration still maintains that there will be only an $11 billion deficit, but, at the same time, they continue their program of spend, spend, spend, and request an increase in the debt ceiling of $29 billion. The inconsistency between the statements of the administration is matched by the inconsistencies of the administration's fiscal policy of spending more than it takes in. Mr. Chairman, I strongly urge the administration and the Congress to honor their solemn duty and obligation to reappraise the priority of domestic and foreign expenditures, and to consider additional sources of revenue, in order to reduce the need for an increase of this magnitude in the Government's borrowing authority. I must oppose this bill because the administration has failed to meet its obligations to the American people, and its ever-increasing budgetary deficit is intolerable. Mr. Chairman, we must meet our military needs, but to reduce our budget deficits we must place domestic spending on a priority basis.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. BUSH], a distinguished member of the committee.

Mr. BUSH. Mr. Chairman, I oppose the requested increase in the debt ceiling. First, let me be very clear on one point. My opposition is not based on the belief that the only way to live within our means as a country is to vote against the ceiling increase. The Secretary of the Treasury, of course, must have funds to pay the bills, and some of those must come, in time of tremendous budgetary deficit, from increased debt.

Rather, my opposition is twofold. The increase is too large and it is too fat. A close analysis of the Treasury's figures indicates this.

Second, I strongly subscribe to the principle of discipline that comes or should come from a proper use of the debt ceiling. The Secretary made it clear that he was tired of having to come before the Ways and Means Committee over and over again to ask for an increase, and I detected that the Treasury's position was that this exercise was somewhat of a waste of time.

My feeling is the opposite. As long as we operate with mammoth deficits, I think it is most useful to have the type of hearings we have had this year on the debt ceiling. These hearings get before the people the financial position of the country, and they highlight the accuracy or inaccuracy of Government accounting, and in the hearings, under the very fair chairmanship of our distinguished chairman, every member of this Committee on Ways and Means—and I speak as the most junior member—is afforded ample opportunity to ask questions, and I for one reject the contention that these hearings are not a very important exercise.

In addition, if the ceiling is increased prudently and cautiously—prudently so that the bills can be paid and cautiously so as not to encourage a reckless use of debt—then the ceiling can in fact exercise a certain discipline on the administration and on the Congress.

Had this committee used the Treasury's figures alone, we could get by in fiscal year 1968 with a ceiling of $345.2 billion without contingencies.

In order to give the Secretary realistic operating room, we should add to this "no contingency" concept, which incidentally includes $4 billion of cash on hand, the following contingency:

First, $3 billion normal contingency allowance;

Second, $700 million—the Secretary's estimate of the increased cost of the war in Vietnam;

Third, $3.4 billion for no tax increase; and

Fourth, $5 billion of projected participation sales which come under the debt ceiling.

These contingencies total $12.1 billion. So you add this to the $345.2 billion and you get a ceiling of $357.3 billion.

In discussing contingencies, there are two "supercontingencies." One is the war in Vietnam. Frankly, I was disturbed when the Secretary in his statement indicated that the war would cost only $700 million more than his original estimate. In fairness, he did suggest that this was only an estimate. But the very day of the Treasury's appearance before our committee, the distinguished chairman of the Appropriations Committee, my colleague from Texas, was being quoted on a $5 billion increased cost, and so were many other people.

So it may very well be that the $700 million is already hopelessly outdated.

The other "supercontingency" is the tax increase. The committee took out any revenues for a tax increase in computing the necessary ceiling.

My own strong conviction is that before you can stand a $29 billion deficit, a figure mentioned as a possibility by our able chairman, before we can contemplate such a whopping deficit, we will have to have a tax increase.

I have been saying, "Let us cut down domestic spending." I still say that, but we are in a costly war, and we cannot simply finance it entirely from increasing the debt. I recognize the political liabilities of proposing a tax increase, but it was one thing to talk about no tax increase with a projected deficit of $11 billion and it is something else again to talk about no tax increase with a deficit of $29 billion.

The chairman mentioned that taxes at certain levels can result in lower total revenues. As one who studied economics to a certain degree, I agree that certainly we must study any increase carefully, but we simply cannot let this country's credit go down the drain. Unpopular though it may be, it is becoming increasingly clear to me that, because of exorbitant projected deficits, we are going to have to have a tax increase.

I for one will not consent to finance this solely through Government borrowing.

I do not want the housewives to have to pay that extra-high milk bill to pay all this increase, and I do not want our credit abroad to deteriorate any further—this so-called balance-of-payments drain.

So these two supercontingencies—the increased military costs and the tax increase—will work in opposite directions, and certainly should hopefully offset each other.

A ceiling of $358 billion would exert a certain discipline. It would give the Treasury leeway based on their own figures, and it would exert a tight discipline based on the more lenient committee figures.

I would vote for and support a debt ceiling of $358 billion, because increased borrowing is absolutely essential; but, I will vote against the $365 billion ceiling recommended by the committee.

I commend the Treasury and the administration for their attempt to gain relief from the long-outdated 4.5-percent interest restriction on long-term borrowings. I support the Treasury's original request to permit 10-year notes to be classified as short-term and to exempt $2 billion of bonds.

Present restrictions force the Treasury to borrow in the short-term market. They force short-term rates up to exorbitant rates. I wish the committee had adopted the original Treasury request, but at least the committee compromise is a step in the right direction.

In conclusion, Mr. Chairman, I urge the Committee to vote down the recommended $365 billion ceiling.

A tighter figure will exert more discipline and, should this discipline fail, it will result in the administration's having to tell the Congress, and thus having to tell the people, where this country stands.

Such a disclosure can only be worth while.

Mr. MILLS. Mr. Chairman, I yield 15 minutes to my distinguished friend, the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, any difference that I have with my friend, the distinguished gentleman from Arkansas, the Honorable WILBUR MILLS, is certainly not a personal difference. We have never in our lives—we are neighbors down in the great Gulf Southwest—had a personal difference. We do not have one now and will not have one in the future. But he has strong feelings about his convictions and I have strong feelings about mine. I know that the distinguished chairman [Mr. MILLS] is one of

the finest and best Members of the U.S. Congress. If we want to pay a Member of Congress the greatest compliment that we can, we say that he has the respect and admiration of his colleagues. Certainly we can say that about the gentleman from Arkansas [Mr. MILLS], the chairman of the Ways and Means Committee.

In our colloquy a while ago, this afternoon, Mr. MILLS took the position that the Federal Reserve notes issued by the Federal Reserve banks, printed in the Bureau of Engraving and Printing—a Government institution here—were secondary obligations of the U.S. Government, contingent liabilities. Of course, that is the first time that argument has been brought up in the 30 years that I have interrogated members of the Federal Reserve, and the U.S. Secretary of the Treasury, and others, so I will just respectfully have to refer to my friend the fact that certainly that is an "operation twist."

It is kind of going around a different way from what the facts have been during the time I have been here, about 39 years. That is a new approach, a new attack.

I can assure the gentleman that his statement, although sincerely made, is not justified, because the law is very plain and direct. That was one of the principal discussions in the passage of the Federal Reserve Act. All the time, in the Aldrich bill, the Republican bill, they insisted upon having the money that was issued obligations of the central bank which they wanted to create. They did not get their way. Mr. Carter Glass insisted that they be obligations of the U.S. Government, that we did not want any money in circulation that was issued by banks, that we wanted Government money. Mr. Glass' insistence prevailed.

That is very clearly drawn out in the reports of the various committees handling this legislation and the amendments thereto over a long period of time.

There can be no doubt that these direct obligations of the Government are handled by our fiscal agents, the Federal Reserve banks. Our fiscal agents owe an obligation to the Government and the people. They are supposed to be our trustees and looking after us. If they are, when they trade those Federal Reserve notes for U.S. Government obligations they should either cancel them or issue instead obligations bearing no interest. That has been suggested by a lot of economists. It would save a lot of money. I will not go into this matter here since I have discussed it previously.

We have a question here which has been called to my attention, concerning language in the Ways and Means Committee report. I read in the report which the gentleman from Arkansas [Mr. MILLS] presented to the House of Representatives, on page 11:

> The extension of the definition of U.S. notes to those debt instruments with a maturity of not over 7 years will not have any effect on interest rates but will afford the Secretary of the Treasury aid in preventing still further shortening of the maturity of the debt.

I should like to ask the gentleman from Arkansas a question. Did the gentleman mean, when he says that, by increasing the length from 5 to 7 years, interest rates will not be raised above what they have been on the 5-year notes?

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

Mr. PATMAN. I yield to the gentleman from Arkansas.

Mr. MILLS. Yes. The statement in the report is the statement made to the committee, in the executive session of the committee, by the Secretary of the Treasury that this action changing the definition from 5 to 7 years would not have any effect on interest rates.

I wish to add that, when people downtown make statements to me I like them to stand up. If I should find that this would have the effect of raising interest rates generally I would ask the Secretary of the Treasury not to use this vehicle. He was positive in his statement to us that he merely wants to act to lengthen the average maturity of the securities issued by the Government and that this action is not intended to have and will not have any effect raising interest rates.

Of course, that is his judgment.

Mr. PATMAN. Yes.

Mr. MILLS. But that is the basis on which we accepted the provision.

Mr. PATMAN. May I ask a specific question, please? Does the gentleman believe that they will keep interest rates down as low as or lower than they were on the 5-year notes now outstanding—the coupon rate?

Mr. MILLS. I could not say that. The point is the Secretary expressed to us his own judgment, which caused us to take this action, that the mere extension alone of the maximum maturity of these notes from 5 to 7 years would not result in any increase in interest rates.

Mr. PATMAN. The gentleman is voting for this believing that is true?

Mr. MILLS. Absolutely. I would expect it to be borne out by the facts.

Mr. PATMAN. And if there is any attempt to do anything else, you will raise more sand than an alligator when the pond went dry or something like that? You will really get on them?

Mr. MILLS. Well, I will get my friend to help me do it. I think that would do some good.

Mr. PATMAN. Fine. Then on the motion to recommit I do not think my friends on the Republican side or others can escape the argument that they are trifling with the House or being political in offering a straight motion to recommit, because you could have had the opportunity to vote against the previous question. Then you would have the whole bill before the House for amendment, and for any changes or corrections. However, you chose to vote against that course. Now you will present something which you cannot expect to win. Therefore, when it is all over you have just divided the House in a way where you could not expect to get any consideration. So I hope that motion does not prevail, because it would just be helping our friends on the minority side to get out of a political hole, and I do not think we owe that obligation to them at all. Not at all.

The gentleman from Arkansas made a good statement about the fairness of the committee chairman and the committee in granting every Member, even the most junior Member, everyone, an opportunity to ask any question that he desired to ask. You know, that is my way of conducting a committee. That is my opinion of the proper way to conduct a committee. In fact, when I became chairman, I made sure first that every Member had a few minutes in the first go-around. Then, if they wanted more time, why, they would get that time. I assume that that is the way the gentleman from Arkansas [Mr. MILLS] is operating his committee. Since he has given every member an opportunity to ask any question he wants to, I do not see where we would be doing a thing except spinning our wheels if we were to vote to send this bill back to the committee, because they have already had full and complete hearings on it. It would just be a question of delay. Why go through the same thing again?

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield to me?

Mr. PATMAN. Yes. I yield to the gentleman.

Mr. BYRNES of Wisconsin. I do not care whether you sent it back to the committee. I would just as soon you killed it when it comes up for passage and vote against passage. I do not know what the gentleman is talking about.

Mr. PATMAN. I understood your motion to recommit would be a straight motion to recommit. Is that right?

Mr. BYRNES of Wisconsin. That is my intention. Yes. Why? Do you want me to give it to you so you can use it for instructions or something?

Mr. PATMAN. No.

Mr. BYRNES of Wisconsin. I am not quarreling with whether you send it back to the committee or not. I do not know whether I will ask for a rollcall vote on that or not. I will on final passage.

Mr. PATMAN. I would say that the gentleman in good grace could not expect it to be adopted, because if he really wanted this bill up on the floor where it could be considered, he could have voted against the previous question, and with the Republicans sitting here with the number that we have, we would have done well enough to defeat the previous question. But you chose not to do that.

Mr. BYRNES of Wisconsin. It would not have accomplished anything.

Mr. PATMAN. So you had a chance and you did not use it.

Mr. BYRNES of Wisconsin. You just would have wasted more time. I do not want to waste more time than is necessary.

Mr. PATMAN. All right. Then, they will offer a motion to recommit. So, Mr. Chairman, I am suggesting that we vote against the motion to recommit when it is offered. I have never failed to vote for an increase in the national debt when it could be justified, although I do not think it should be passed without deducting the $45 billion held by the Federal Reserve in the Open Market Committee portfolio. I have had a chance to present this matter to the Committee on Ways and Means. My testimony is in the hearings. I have had a chance to discuss the

rule and I have had a chance to discuss the bill here this afternoon. It is essential that we vote for the debt increase. Therefore, I hope that the motion to recommit is voted down.

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

Mr. SKUBITZ. Mr. Chairman, I resent most strongly the very fact that for the ninth time since I entered Congress in 1963, the Members of this body are considering another raise of the public debt limit. In view of the record which illustrates we have voted 14 times to raise the "temporary" debt ceiling since the "permanent" debt ceiling of $285 billion was set in 1959—how can we expect to put any real stock in the bill before us now. Today, every Member of this body must surely realize how meaningless we have made the "permanent" debt figure. I would further question how any of us can believe that we will today be voting on any debt dollar limit which will be realized other than on paper.

I am reminded of a currently popular "potato chip" commercial which dares us to eat "just one." The public debt of this Government seems to have also become the irresistible "potato chip." Every time we have raised the debt ceiling, we have merely served the appetizer for those who see no limits to government spending. I can only describe the action requested of us today to set a "permanent," and I put that in quotes, debt ceiling—as a fiasco.

This practice to which we have become so accustomed makes our budget procedure meaningless, casts great doubt on our fiscal integrity, a very dark shadow on our respect for the taxpayers we represent and most important—it further adds to the great burden we are packaging for our descendants.

It seems to me we have assumed the posture of a man who lives in a great house and gives the impression of great wealth. All come to him for money, he works to preserve his wealthy image, and keeps up a great front while the roof is collecting weather-worn holes. Ultimately, the roof falls in. Gentlemen, instead of raising our ceiling, we should concentrate on repairing it. We should show some intention to lower it back into reality.

Let us make clear to the taxpayers that the second largest item of our Federal expenditures for fiscal 1968 is the interest on the national debt—the interest alone. May 25, we passed and sent to the Senate an appropriation bill for the Departments of Labor, and Health, Education, and Welfare and other related agencies in fiscal 1968—which totaled $13 billion, a whole billion short of our "dead horse" payment on the national debt interest. It is time to bring this outlandish expenditure into perspective, to emphasize that it constitutes this year the second largest item on our budget, and to make clear that this expenditure constitutes nearly 12 percent of those estimated by this Government for fiscal 1968.

Let me repeat my remarks of February 8 of this year, the day which marks the most recent raise of our "temporary" national debt limit. I am fully aware of the problems which might result should the Congress refuse to increase the debt ceiling. But I know of no other way to sound the warning, to impress upon the "spenders" that we go this far and no further. There is virtue in a balanced budget and a limit to what we can afford. These principles are not so outmoded as to be ignored in our "Great Society." The time has come when those who believe in a sound fiscal policy must vote against further proposals to increase our indebtedness.

Mr. McCLURE. Mr. Chairman, there is nothing quite so temporary as the ceiling on the national debt. I can remember when it was temporary because we actually thought it would be reduced. Now, of course, it is temporary only with regard to how long it will be before it must be increased again.

It is therefore somewhat refreshing to find that we have dropped the word "temporary" and admitted that the new ceiling is permanent. That is about the only place where the administration has acted with candor as far as the Federal debt is concerned.

The Treasury pegs the deficit for fiscal 1968 at $11 billion, and the committee chairman estimates it will be closer to $29 billion. Since this is a repetition of what happened last year—when the administration deliberately underestimated the deficit it was running up then—the chairman's figures are probably closer to the truth.

Support of this bill in effect sanctions approval of the President's spending policies, and that I cannot do. I am opposed to the wild spending which is forcing our consideration of the increased debt limit. It is high time we brought a little commonsense into this debate over fiscal policies.

The President has tried to mislead the American people in another respect. By increasing his domestic program, he has given the illusion that we are not really at war, that we proceed from day to day on a business-as-usual basis.

However, the people of this country realize we are in the midst of a war and that our efforts must be channeled toward victory abroad. Why cannot the President see this?

Mr. GOODLING. Mr. Chairman, if this administration has been consistent in any one thing it is this: passing legislation that would permit the hiking of our national debt limit.

The present statutory debt limit is $285 billion, and I cannot help but remember that when I first came to Congress in 1961, the actual debt limit was somewhere in the area of that figure. In just a few years—6 years, in fact—the temporary debt limit has leaped to $336 billion, and now we are being called upon to establish a new permanent debt limit of $365 billion.

This means we are being asked to approve an increase in the debt limit of $29 billion over the present temporary debt limit and to heap an $80 billion increase on top of the old statutory debt limit of $285 billion. This difference between the old statutory debt limit and the new debt limit that would be permitted by law represents a debt growth averaging over $13 billion per year.

That is a lot of money, Mr. Chairman, and I gather little consolation from assurances given by the administration that this level of debt is all right because it can be absorbed by our expanding gross national product. Nor do I gain much comfort from the contention by the administration that this debt is really of no consequence since, after all, we only owe the money to ourselves.

Mr. Chairman, I would like to point out that we cannot push this matter of the national debt off to the side with such general references, because this very same national debt has a definite effect on our economy, either on the inflationary or deflationary side.

For instance, if the national debt is handled through our financial institutions, the effect can be inflationary, with the prices of things in the store going up and the contents of the consumer's pocketbook going down.

By the same token, if the national debt is financed through sales to the general public, this would have a deflationary effect, and this would act to throw a wrench into the wheel of our economy, bringing low-scale buying activities and unemployment.

In short, then, the national debt can exert a negative influence of one sort or another on our economy; hence, it should be kept to a minimum.

The time has come, then, when we must abandon this "sky is the limit" philosophy with respect to the national debt, and we must exert some effort to control it.

To do this we are either going to have to increase taxes or cut Government spending, and remembering that the American taxpayer already is overburdened, the answer is not in more taxes.

Mr. Chairman, we must cut back on Government spending, for we are trying to do too much. Not only are we trying to finance a war in Vietnam, but we are also striving to carry out a lot of domestic programs that are not absolutely essential. In short, not only are we trying to have guns and butter, but we are also trying for cake, too.

The result of this is that our deficits each year are increasing, and deficits are, of course, the seed of our national debt.

For instance, early this year President Johnson talked in terms of deficits ranging between $4 billion and $8 billion on the fiscal 1968 budget. Just recently, however, Chairman WILBUR D. MILLS of the House Ways and Means Committee indicated that the U.S. Government might go into the red $29.2 billion by next year. On top of this, Secretary of the Treasury Fowler indicated that the deficit could reach $24 billion; that is, if the 6-percent surtax recommended by President Johnson were not imposed—and there is a serious question on this—and if corporate tax receipts fell.

Mr. Chairman, I think we should be sharply conscious of the fact that there is a limit to the "stretchability" of our economy. Just like a rubberband, it can stretch only so far before it snaps. I think we have reached the danger point, and I feel it is high time we introduce some sense into the management of our fiscal affairs. High national debt holds the

seed of economic troubles—why sow the seed?

Mr. BENNETT. Mr. Chairman, I have not been a party to the extravagant spending of this and the last Congress, and I have, through the years, voted against many authorization and appropriation bills because of the need to keep down Federal expenditures. However, I have not felt that a vote against raising the debt limit would cut expenditures. I have always felt that it would only be a protest matter without any effectiveness for economy. So I plan to vote for raising the debt limit this time, because of the fact that to do otherwise would not seem to actually save money and it might at this time hinder the progress of the war in South Vietnam. If the debt limit lift is defeated and if the result actually does save money, it may well be that this is the last time, for some considerable time in the future, that I will vote for any debt limit lift legislation. I recently received the following letter from Secretary of the Treasury Fowler on this subject:

THE SECRETARY OF THE TREASURY,
Washington, June 5, 1967.

Hon. CHARLES E. BENNETT,
House of Representatives,
Washington, D.C.

DEAR MR. BENNETT: In reply to your question: "What will happen if the Congress fails to pass legislation to increase the debt limit?"—the simple and direct answer is that the United States Government would not be able to pay its bills or repay all of its maturing debt after June 30, 1967.

Under existing law, the temporary debt ceiling of $336 billion reverts, after June 30, 1967, to $285 billion. We estimate that the actual level of debt, which was $331.1 billion on May 31, will be about 327 billion on June 30—some $42 billion above the ceiling which would take effect the next day.

The debt in existence at that time would have been issued legally, but without Congressional action to raise the ceiling from the $285 billion level it would not be possible to issue new debt—including even the refunding of outstanding obligations as they came due.

The cash balance we would have on hand at that time—amounting to perhaps $7 billion—would not last long. Whether that limited amount would be used to meet current Government payments—for example, to purchase defense material, pay salaries, or pensions—or for repaying maturing debt obligations, is beside the point. The point is that without action on the debt limit the United States Government would not be able to meet its lawful obligations, and that is not a tolerable position to be in.

One might ask how long $7 billion of cash could last. The mere repayment of the first three weekly issues of Treasury bills coming due in July would use $6.9 billion—and that cash would not be available unless all other Treasury cash expenditures were shut off completely; that would mean no payments on defense supplies, no payments of Government salaries, no payments of Government pensions, Social Security, unemployment benefits, and so on. Not only could no new savings bonds be sold, but we could also run out of cash to redeem existing bonds.

Last January, in spelling out the need for an immediate increase in the temporary debt ceiling, because an excessively tight debt limit had been interfering with normal Treasury cash and debt management operations since December 1966, I pointed out that unless the ceiling was raised by the beginning of March the Treasury would be able to pay only about half of the anticipated bills coming due in the first half of March.

The situation facing us at the end of June will be far more serious than that of early March. On that earlier occasion, it was a question of gradually pressing up to, and then beyond, an existing debt ceiling of $330 billion. At the end of June, however, the current legislation provides a precipitate *drop* in the debt ceiling to a level, as noted, some $42 billion below the actual level of debt anticipated for June 30.

This country has never defaulted on its obligations, and I do not believe the Government should be put in a position where its ability to fulfill its obligations is jeopardized.

Sincerely yours,

HENRY H. FOWLER.

Mr. CHAMBERLAIN. Mr. Chairman, I rise in opposition to H.R. 10328 and associate myself with the views of the minority members of the House Ways and Means Committee as found in the accompanying report on pages 17 through 23.

In making its second request for more deficit financing within 90 days, the administration would have us believe that none of this would be necessary if it were not for the war in Vietnam. Certainly, no one who has served in the Congress during the last 7 years can take such a statement seriously. Since it took office in January 1961, the administration's fiscal policy has been one of planned deficit spending. They have been notoriously consistent. By the end of this month they will have increased the debt by over $40 billion. They now wish to have the authority to increase it another $29 billion by the end of next June, even though they refuse to say clearly for what this borrowed money will be used. It is the same old tactic that they have used the last several years, of keeping the budget picture as confused as possible, of deliberately underestimating defense spending in their budget until domestic programs are pushed through Congress.

There are only two choices facing Congress today—either to give a "blank check" to the administration or to protest the administration's failure to exercise fiscal restraint at a time when we are confronted by heavy responsibilities in Vietnam.

I would close by offering some unsolicited advice to the party in power, in the words of some of its most famous forebearers. In a letter to Governor Plumer in 1816, Thomas Jefferson wrote:

I place economy among the first and most important of republican virtues, and public debt as the greatest of dangers to be feared.

Then on July 4, 1824, Andrew Jackson wrote:

If a national debt is considered a national blessing, then we can get on by borrowing. But as I believe it is a national curse, my vow shall be to pay the national debt.

In a speech in Pittsburgh, July 30, 1932, Franklin Delano Roosevelt said:

Let us have the courage to stop borrowing to meet continuing deficits. Stop the deficits.

These are sentiments to which I can subscribe without reservation.

Mr. GARDNER. Mr. Chairman, I am opposed to the administration's request for a $29 billion increase in the debt ceiling. The adoption of H.R. 10328, would mean that the Federal Government's borrowing authority has been increased by $35 billion, over and above the budget requirements, in the past 3 months.

On February 8, 1967, during the debate on H.R. 4573, the most recent bill to raise the public debt ceiling to $336 billion, I stated that:

It is time the Federal Government should be established on a sound fiscal policy. For too long, our government has been practicing deficit spending.

Today I want to reassert this position and emphasis that deficit spending is unwise for the U.S. Government as it is unwise and unsafe for an individual to attempt to live on borrowed income.

The Johnson-Humphrey administration has tried to blame the Vietnam conflict for the need to raise the debt ceiling by $29 billion. However, we all know that this is not true. The real reason is attributed to the administration's desire to finance an expansion of its Great Society programs in addition to supporting our military efforts in Southeast Asia.

President Johnson proposes that we go deeper into debt to finance his domestic programs. The level of domestic spending in the administrative budget, apart from the defense requirements in the war in Vietnam, has increased from $46 billion for fiscal 1965 to approximately $66 billion in fiscal 1968.

As is evidenced by the administration's desire for an increase in the public debt, there just is not enough money in the budget to provide both.

However, instead of cutting domestic spending or offering other alternatives, Congress is asked to authorize an increase in the Government's borrowing power. The administration's unwillingness to exercise restraint in its expenditures and its failure to advise the Congress and the American people of its spending intentions has created the current crisis to raise the national debt limit.

Realistic expenditure priorities must be placed on domestic spending in order to reduce the risks involved in deficit spending. Such spending has resulted in inflation, an increasing deficit in our balance of payments, disruptive pressures on U.S. financial markets, and a concern over the integrity of the American dollar abroad. Regardless of the apparent urgency of some domestic needs, it is imperative that we cut domestic spending to a minimum.

The interest charge on the national debt is the second largest item in the budget for fiscal 1968, or $14.2 billion. To put it another way, 6 cents out of every tax dollar is used to pay the interest on the national debt. If H.R. 10328 is passed by this Congress raising the total debt to $365 billion, the budget requirement for interest will greatly increase in the next budget.

Before enacting an increase of $29 billion in the debt limit, the Johnson administration and the 90th Congress should reappraise the domestic and foreign expenditures in an effort to reduce the need for an increase in the Government's borrowing authority. However, since it is apparent that the President is not going to meet this obligation, there

is no course left to this Congress than to oppose H.R. 10328. Only by this means can we bring about a reappraisal of expenditures and revenue needs in the light of a larger budgeting deficit.

Mr. SCHADEBERG. Mr. Chairman, I speak in opposition to H.R. 10328, the bill before us today which will provide a permanent debt limitation of $365 billion.

Let us clearly understand what this bill would do. After increasing the borrowing authority of the Federal Government by $6 billion just a few months ago, we are called upon again to increase the debt limit by an additional $29 billion. This increase of $35 billion in 1967 would be the largest annual increase since World War II.

This increased borrowing cannot be justified by our defense spending for the war in Vietnam. Two-thirds of the $28.3 billion increase in Federal expenditures in the calendar period 1963–66, measured by national income accounts, was caused by nondefense expenditures. It is these domestic programs—the Great Society, give-away program—which have padded the national budget to such a point that we are now asked to raise the debt ceiling permanently to $365 billion. The debt limit does not have to be raised to meet the costs of military operations in Vietnam—Federal tax revenues have increased sufficiently to pay for these costs. The debt ceiling must be increased only if we are to continue to support and encourage this administration's follies: flowers and shrubs at every stop sign, $45,000 flagpoles, some hundred thousand dollars to study local speech dialects and close to $10,000 to study comic strips, among other items in the budget.

We are faced with the possibility of a deficit of 29 billion dollars, the economic consequences of which do not need to be elaborated. These figures are of such immensity that to most people they are meaningless. Let us put them in perspective and conceive of them as the personal burden of each of our children, of each of our grandchildren, and of each of our great-grandchildren—a burden which we pass on to them in an action which is unworthy of us as men of honor. To each of the 408,677 people in the First District of Wisconsin, whom I have the privilege of representing in this Congress, this increase since 1960 represents an additional indebtedness of $294; for each four-member family in my district, it means an additional indebtedness of $1,176.

In fiscal 1968 the Government will be paying $14 billion, not for hospitals, schools or roads, but solely to pay the interest on the national debt. If this debt limit is increased today, it will require the expenditure of an additional $1.5 billion in interest payments.

Since June 1961 I have repeatedly and regularly opposed increasing the debt limit, and I have urged this body to join me in opposing it. Again, I say let us reassess the policy of deficit spending, which now appears to be an accepted part of U.S. budgetary practice, and let us seek to return to the concept of a realistically balanced budget and a sound, reliable dollar.

Mr. MOSHER. Mr. Chairman, this is the seventh year in which I have been privileged to be a Member of this House, and I believe during that time the debt ceiling has been increased at least 10 times. Today, it is proposed that we make a very major increase for an 11th time, in less than 7 years.

For the record, I want it known that today I will again vote against the increase in the debt ceiling, as a protest against this entire procedure.

In other words, Mr. Chairman, the way it has been used, I see absolutely no reason to vote a so-called ceiling on our national debt. I believe it is worse than useless, and I believe there is an urgent necessity for the Congress to find a much more effective device by which we can discipline ourselves in the management of this Nation's fiscal policy.

More than 4 years ago, I made this same point in a statement which appears in volume 109, part 7, page 8622 of the CONGRESSIONAL RECORD for that year, and I want to repeat today a few of my remarks on that occasion.

The debt ceiling, as it has been used, is a farce. Regardless of what it may be in theory, in practice it has become simply a device for fooling the public, and actually for fooling the Congress. It is a device by which we pretend to have some degree of control over expenditures, when actually we do not.

The way we operate it, there is in fact no debt ceiling or limit. It is only seeming. It is only pretense.

The Congress, urged on by the White House and others, simply approves excessive spending, without any real concern for the amount of revenue available, nor concern for whatever the legal debt limit may be at the moment. And then, after the fact, after the money has been committed, the legal limit is adjusted upward, merely as a matter of convenience and necessity.

I repeat, that procedure has become a farce, simply a ritual dance to divert the taxpayers' attention from our own lack of fiscal responsibility.

Therefore, as a personal gesture against what seems to me an irresponsible procedure, I have consistently voted against the many debt ceiling increases on which the House has acted in recent years. I will do so again today.

Experience has proved that whatever so-called ceiling or limit we vote today, the Congress and the White House will simply ignore it, and certainly no later than next year we will again be called upon for another increase. I submit that we would be far more honest with the taxpayers and with ourselves, if we did without the limit entirely and instead began to develop the willpower here in the House, and somehow a more responsible procedure by which we might exert some real self-control, some genuine discipline over the limited revenues actually available to us to spend.

Mr. MILLER of Ohio. Mr. Chairman, it is time that Congress responds to the will of the people. They are crying for help from the only body that can help them, their elected representatives. It is the responsibility of this body that spends the citizens money, to use good judgment, and to be aware that our Government cannot be, all things to all people. If it tries, the national debt will continue to rise, and someone will have to pay the bill.

Responsible Government must be brought about if we are going to stop our Nation from being spent into ruin.

The people of America are being taken for a ride by their own Government, a Government that taxes and taxes, and spends and spends, in order to perpetuate its own ends.

Who else will look after the taxpayers of this great Nation, other than we, their duly elected representatives. I wonder how long the taxpayers can be burdened before their will is broken.

I ask you to join with me in defeating this $29 billion debt increase as a warning to all elected officials that the day of the big spender is a thing of the past, and that responsible government for the people and by the people has been restored.

Mr. RIEGLE. Mr. Chairman, the easiest thing for the Government to do is to go into debt. For as long as the Government can go deeper and deeper into debt—the more it can spend and spend and spend, then the more it can, in turn, expand the grasp of the Federal Government and its influence and control over the individual citizen.

And that has been the pattern—borrow, borrow, borrow; spend, spend, spend—and let the country sink deeper and deeper into debt.

I believe this country is already too deeply in debt. It is time—it is past time—to take a new look at automatic increases in the national debt. If we can stop this present debt increase—then perhaps the administration will take account of the fact that the 90th Congress will not give rubberstamp, blank-check approval to the proposed 1968 administration budget. That budget is not built on the premise that we ought to have lean, efficient, minimum government at the Federal level.

Rather its basic character is that of continually growing, continually expanding Federal Government that lays continuous layers of Federal bureaucracy on the individual American citizen. And if there is no limit to the amount of debt that this country can incur—then there is no responsible limit to what an administration can spend when it has a majority in both Houses of Congress. And if there is no meaningful limit to the Federal debt—then there is no limit to the amount of strangling Federal bureaucracy that can be imposed upon the people of this country.

The annual interest on the existing Federal debt is over $14 billion. That means that over 10 percent of our Federal budget must be spent on interest alone.

And is this annual interest expense of $14 billion productive? Does that wasteful interest cost of $14 billion rebuild the slums of Harlem? No. Does it provide new schools or new education programs? No. Does it provide for a broadened Headstart program? No. Does it provide needed funds for increased social security benefits—or funds to mount an all-out attack against the causes of infla-

tion? No. Does it provide for the national and international defense—does it pay for our program of military, social, economic, and political activity in Vietnam? No. Does it serve to reduce the need for the 6-percent surtax the President has called for; does it possibly serve to reduce the need for our present high level of taxes so that we might reduce taxes in the amount of $14 billion? No. The answer to all these questions, I am sorry to say is, "No."

The interest cost is nonproductive. It does not add to national vitality; it saps national vitality. And this is not the only damage that is done.

Let us consider inflation—the vicious, unrelating increases in the cost of living that have become the hallmark of the present administration. More debt for more Federal spending and ever-increasing deficits means more inflation. Are we, as a Congress, going to say no to more debt, and more deficit, and more inflation? Well, as one vote of 433 votes in this Chamber, I am going to vote to stop the inflation; to stop the soaring deficits and put an end to the easy expedient of loading more debt on present and future generations.

With my single vote, I hope to strike one blow for economy in Government; one blow for fiscal responsibility; one blow for the individual citizen; the man on the street who is sick and tired of endless Government spending, endless Government debt, endless deficits and endless inflation.

If we who vote against this debt increase lose when the votes are tallied, then the country loses, and each citizen who is hoping and praying for some relief from inflation will lose with us. But unless someone here in the U.S. Congress is willing to stand fast in the fact of a policy of Government by giveaway, then what hope is there for the individual citizen who tries his best to balance his own budget and be a responsible citizen?

Today, the interest on the present national debt is costing the American taxpayer over $25,000 a minute; $25,000 a minute, 60 minutes an hour, 24 hours a day, 7 days a week, 52 weeks a year. Are we going to let this cost balloon even higher? I hope not. This is not sound government, it is time for all public officials to stand up and say it is time to stop the slide into easy debt increases, which only create hard inflation.

There is no middle course on this issue; either you stand with the individual citizen and oppose these continuing increases in the Federal debt, or you take the low easy road of more debt, more Federal bureaucracy, more deficits, more taxes, and more inflation. I wish to stand with the individual citizen, win or lose, and oppose the increase in the debt limit.

GENERAL LEAVE TO EXTEND

Mr. MILLS. Mr. Chairman, I ask unanimous consent that all Members desiring to do so, be permitted to extend their remarks at this point in the RECORD on the subject matter of this legislation.

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

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. FINO].

Mr. FINO. Mr. Chairman, I rise in opposition to this proposed increase in the debt ceiling. How long must this farce be perpetuated? Time after time, we go through this ritual of raising a ceiling which is becoming meaningless by its incessant breach. Either this is a meaningful ceiling or it is not. Either this ceiling should be scrapped—or it should be observed.

I personally believe that we should observe the debt ceiling—if not during this war year, then next year. I am tired of the Johnson administration spendorama, which is taking ever higher taxes from the people of my district without giving them anything in return. I say this regretfully, because I am very sorry that the Johnson administration has turned to taxing the many for the benefit of the few. That is a very reactionary policy. In 18th century France, the king taxed the many for the benefit of the few, and that is just what L. B. J. is doing today. He is taxing the many to pay for the poverty program which bankrolls a small clique of social planners and rioters. He is taxing the many to pay for rent subsidies for a few. He is taxing the many to pay for "city demonstrations" for a small group. He is using public funds to promote paired schools, educational parks and school bussing programs, which favor the few over the many. He is taxing the many to pay for "honor system" welfare for another special interest group—I refuse to call them "clients" even if that is becoming fashionable.

I think it is time that the taxpayers of this Nation rose up and told Lyndon B. Johnson to stop robbing the middle-income group, to split the loot between the fat cats and rioters. The people who count with this administration are oil barons, fat cats from Wall Street, big builders, and others who are getting rich thanks to the "Great Society," and the other beneficiaries of the "Great Society" are rioters and welfare chiselers. What about the taxpayer? The little guy who owns his own home because he worked hard and never yelled "deprivation." What about him? He votes—he proved it last November.

Every time we in Congress vote to raise this debt limit, we are voting to take another piece out of the hide of the typical American taxpayer, who will be paying this debt for the rest of his life, and whose taxes will be bigger tomorrow because the "Great Society" is too big today. This administration has got to stop trying to play God in the ghetto, the deserts, and the rice paddies all at the same time. We cannot afford it. This administration has got to learn that while the Government can be its brother's keeper, it cannot be its brother's spoon-feeder.

The people of my district are sick of paying taxes to support Texas oil companies and ghetto rioters. While the Federal Government funds school boycotts with antipoverty program money, the people of my district cannot get tax deductions for parochial school tuition payments. While the Federal Government hands out money to rioters, social security beneficiaries who have worked all their lives wait for a benefit increase. No doubt they will have to wait until an election year, but then there will be an increase, so that our President can pretend he does something for others besides Texas oil companies and rioters.

I am sick of the way that this administration takes money from the many to give it to the few. In history, when other governments have done this, they have been given their comeuppance. I am sure that the "Great Society" will be taught a lesson, too, in the not too distant future.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I have carried around with me for some time a slip of paper. It is getting pretty dog-eared, and there are a few holes in it. It is a quotation from the CONGRESSIONAL RECORD of the date of February 24, 1964, when the Revenue Act was before the House, the act by which taxes were cut. I voted against that cut in the belief that a reduction in revenue would only compound the Federal deficit and debt.

Let me read to you one paragraph:

> In enacting this revenue bill . . . we are choosing tax reduction as the road toward a large, more prosperous economy and we are rejecting the road of expenditure increases. We do not intend to try to go along both roads at the same time. If we fail to limit the growth of Federal expenditures, we will be leaving the tax reduction road. Even a one-year detour may make it extremely difficult to get back on it.

Who do you suppose made that statement? I am sorry that he is not in the Chamber. That was the statement of the gentleman from Arkansas [Mr. MILLS], chairman of the Ways and Means Committee, in advocating a tax reduction before the House in 1964 about the time the Vietnam war was beginning to heat up, when everybody had every reason to expect that expenditures for that war would increase.

Of course, the Congress did not reject the road of expenditure increases, including new and costly domestic Great Society programs as well as expansion of old ones. Since 1964 the Democratic majority has traveled both roads until today it is confronted with a $29 billion debt increase, and a total ceiling of $365 billion.

Mr. HERLONG. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. HERLONG. Mr. Chairman, I do not think everybody had reason to expect that the war would cost more at that time. We were advised by the Secretary of Defense at that time that the war would be over within a year.

Mr. GROSS. Yes, and he happens to be the same Robert Strange McNamara who, if he has ever made a correct prediction in his life, including the Edsel, I have never heard of it, and he happens to be serving the Democrat administration. I do not know precisely what his politics may be, but I doubt he is a very good source to quote either for or against the proposition here today.

Mr. HERLONG. Mr. Chairman, will the gentleman yield further?

Mr. GROSS. Certainly I will yield.

Mr. HERLONG. I understand as far as his politics were concerned when he made the Edsel, that he was a Republican.

Mr. GROSS. That may be. I say that today he is claimed by the Democrats. He has also made a real contribution to what we are faced with here today, the Federal debt, when he authorized the flying Edsel, otherwise known as the F-111.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. CEDERBERG. Mr. Chairman, I think it is unrealistic to blame all of the increase in the budget to the Vietnam situation, for as far as I recollect a substantial increase has been made in the domestic programs, programs that could have been deferred in view of the international problems we are faced with.

Mr. GROSS. There is no question at all about that. There are those today who have alluded to that fictional yardstick known as the gross national product as a measure of prosperity and the excuse for loading terrific debt on the citizens of this country. To those who prate about the gross national product let me ask this question: if we are wallowing in prosperity how can we be wallowing in poverty? Why a multibillion-dollar expenditure each year on poverty and welfare?

Mr. Chairman, we cannot police and finance the world. Six percent of the world's population cannot police and finance the world, and expect to travel any road to any other end than national insolvency.

That is exactly where we are heading. We are cowardly passing on to the generations to come the debt that we are piling up today.

Instead of reducing taxes, this administration ought to have continued these revenues and given serious thought perhaps to providing additional revenue. This is the time for austerity and not for passing the buck to the youngsters of today and tomorrow.

That is exactly what we are doing. We here today are trying to eat filet mignon steaks on a hamburger income.

We are not skating on good solid financial ice in this country—we are just walking in the water with our skates on and a hell of a lot of people do not seem to know it. I am opposed to this enormous debt increase.

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

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. SCHWENGEL].

Mr. SCHWENGEL. Mr. Chairman, the Committee is being asked today to raise the debt limit for the 11th time since the Democrats took control of the White House in 1961.

In less than 3 months the Congress is being asked to raise the debt limit by $35 billion. If the House agrees to this increase, the debt limit will have been raised $72 billion in 6 years of Democratic administrations. That is an average of $12 billion per year.

It is clear that the cost of the Great Society of this administration is the great debt. And, friends, let us realize now and ponder this—a greater debt will not really give us a greater society. This debt, I remind you, we are passing on to future generations.

What does this administration offer as assurance that spending will be brought under control should this measure before us be approved? I will tell you. Absolutely none.

In fact, at this time it refuses to say whether it will even press for a tax increase. Its record at attempting to predict the costs of the Vietnam war has been unreliable—and that is being charitable.

A good case can be made for the allegation that war costs have been consistently underestimated to ward off cuts in domestic spending. Despite a good deal of talk about spending priorities made by the President earlier this year, no evidence that any priorities have been set has been seen by this Member of the House.

As a result, the distinguished chairman of the Committee on Ways and Means himself has estimated that the budget deficit for the next fiscal year could reach over $28 billion.

Spending priorities—holding the line—these words of the administration now it seems to me have a very hollow ring.

It is clear to me that it is up to the Congress to take the leadership in bringing its disjointed fiscal policy back into focus.

It seems to me, for instance, that a more serious view of their responsibilities could be taken by the majority members of the Ways and Means Committee, and indeed by the majority of the members of this Committee.

I must say that I was encouraged by the recent statement of the distinguished chairman if the Committee on Ways and Means which, in effect, asked for restraint in spending and asked that the Congress more often ascertain the long-range effect of its action, especially in the authorization of new programs.

But I ask you, Is it not distorting the function of the Committee on Ways and Means for it to consistently come before this House with requests for debt limit increases?

The best way to solve fiscal matters like this is not always avoiding meeting its responsibilities to raise the money to pay the bills.

When I served in the Iowa general assembly, the Committee on Ways and Means consistently kept the assembly aware of the implications and aware of the results of its appropriations. This is what ought to be done more often here.

The constitution of the State of Iowa prohibits the State from going into debt and we should emulate Iowa and the example that it sets in this regard.

Thank goodness that the constitutions of many States contain the same sort of provision that the Iowa constitution contains. If the States were allowed to follow the same fiscal policy set by this administration, there would be utter economic chaos in this country. Instead of bringing a bill before the House to increase the debt limit, I believe the Ways and Means Committee would serve the public interest much better if it would come before us with a frank and forthright report of the revenues available under present taxes and a frank and forthright statement of what new revenues would be needed to cover appropriations over and above revenues available, and finally its frank and forthright recommendation of how these additional revenues should be raised.

I am sure that these statements would act as a restraint on Government spending.

Lest anyone misinterpret what I have said permit me to hasten to say that I do not advocate a tax increase. Instead I am asking that spending requests be reduced. Tax loopholes should be closed and spending priorities should be set.

Certainly we can and must make sure that our efforts in Vietnam are supported to the fullest extent. But there are other areas in which spending should be cut and this must be done.

I oppose the bill before us. I urge its defeat.

Mr. MILLS. Mr. Chairman, I have one more request for time. I yield 5 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I have listened to at least part of this debate, and particularly the last two speakers, Mr. SCHWENGEL and Mr. GROSS. I have frequently listened to my friend, H. R. GROSS—and he is my friend—make speeches in the well of the House in relation to the national debt and how the country was on the road to ruin.

I am going to place in the RECORD some statistics drawn from the Budget Bureau which I think will be of interest. I happen to have a few of the figures in my hand at the present time.

I want to call to the attention of the gentleman and to all Members of the House that in 1942—25 years ago—the gross national product was $139 billion and the national debt was $77 billion. That meant that the national debt was 55 percent of the gross national product.

In 1946—and this was after the war—the gross national product was $201,600,000,000 and the national debt was $269.9 billion. In other words, the national debt was 133.9 percent of the gross national product.

Let us now jump down to 1960. The gross national product was $495,200,000,000 in 1960, and the gross national debt was $286.5 billion, or 57.8 percent of the gross national product.

Let us go to 1966, 6 years later. Then the gross national product was $712 billion and the national debt was $320.4 billion. That was 45 percent of the gross national product—the lowest point percentagewise of the national debt against the gross national product since the year 1942, or for 25 years.

The prosperity of this country is not determined by the national debt. The prosperity of this country is determined in the relation of national debt to the gross national product. If a man is making $10,000 a year and he owes $5,000, and he gets to the point where he is making $15,000 a year and he owes only $5,000, or if he owes $6,000 or $7,000,

he is in better financial condition than he was when he was making $10,000 a year and owing $5,000.

The point I am making to the gentleman is this: that the prosperity of this Nation is not controlled by the level of the national debt, nor is the downward trend toward bankruptcy controlled by the total of the national debt, but by the relationship of the national debt to the gross national product. I shall place in the RECORD, when I obtain permission, a complete comparison of this from the year 1942 until 1966.

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

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

Mr. HAYS. Mr. Chairman, I wish the gentleman would go back, with his comparison, and get the last year of the Hoover administration, when the national debt was larger than the gross national product. But, in all charity, I am a little surprised at this, because the gentleman is spoiling the speeches of the gentlemen on the other side. They do not want to talk about the gross national product. There is no political fodder in that. They apparently do not know we have a gross national product, but only that we have a national debt.

Mr. HOLIFIELD. Mr. Chairman, I thank the gentleman for his contribution. That is why I brought this to the attention of the gentleman from Iowa.

I yield now to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, I did not think the gentleman was going to yield, after he used my name.

Mr. HOLIFIELD. I was going to yield.

Mr. GROSS. I have heard of a few high school students—and only a few—who have the same attitude, that of what difference does it make what the Federal debt is, we owe it to ourselves. The gentleman surely does not believe the fiction of the gross national product, does he?

Mr. HOLIFIELD. It is not a fiction, my friend. It is the gross amount of the wages and profits and interest earned by the people of America. It is a very real thing, I assure the gentleman.

Mr. Chairman, many people in California have requested a brief outline from this office of the relationship between the gross national product, which is the total market value of all goods and services produced by the Nation in a given year, and the public debt, which is the amount of Federal indebtedness to investors holding U.S. Treasury securities. The public debt is a cumulative figure, that is, it increases each year unless efforts are made to reduce it. The gross national product is based on yearly economic activity and is not calculated on a cumulative basis.

Another fact which is important to understand is the method by which the Government keeps its books. If the Government constructs a post office or other public facility, the cost of that facility is charged off as current expense during construction. It is not capitalized over several years as is the case in most plant and facility construction by private enterprisers. To put it another way, the Federal Government does not set up a column of assets for the long-term investment made by public money in the construction of public facilities. The average businessman by contrast shows his investment in a new plant as an asset and depreciates its cost over a period of several years. If the Government calculated its vast public investment by means of a capitalized budget, as private enterprise does, there would be no such thing as a national debt without an offsetting group of assets. The national debt would be more than balanced by the offsetting total of public investment assets. Many people do not understand this and are critical of the huge size of the public debt, although, as I will show presently, the public debt has decreased percentagewise since the end of World War II, and is now smaller in relation to the gross national product than it has been in any year since 1942. In the fiscal year 1967, the public debt will be an estimated 42.9 percent of the gross national product, the lowest in modern history.

During the years of the Second World War, 1942 to 1945, the gross national product grew from $139.2 billion to $216.8 billion. Immediately following the war years, the gross national product fell off due to the relaxation of the wartime economy, however, from 1946 to 1950 it gradually grew from $201.6 billion to $263.3 billion. From 1951 until 1960, the gross national product continued to grow steadily from $310.5 billion to $495.2 billion, and since 1960 it has accelerated upward rapidly to an estimated $762 billion in 1967.

If we look at the Federal public debt during these same periods we find that in 1944, a year in which the gross national product was $201.9 billion, the Federal public debt was $202.6 billion. In other words, the Federal public debt surpassed the gross national product. This was the situation from 1944 to 1948. During that entire period the Federal public debt was greater than the gross national product, at one time peaking as high as 133.9 percent of the gross national product. This meant that the Government was spending more money—by borrowing from the public through war bonds, and so forth—than the total economy, both public and private, was producing.

Since 1949, however, the Federal public debt has steadily diminished in relation to the gross national product. In 1949, the Federal public debt was 97.2 percent of the gross national product. As the gross national product has grown, the debt has also increased, but at a much slower rate. This widening gap of production over Government spending has caused a constantly declining percentage of Federal public debt compared to the gross national product. In 1967, the Federal public debt is estimated to run about $327.3 billion, which should be compared to the figure given above of $762.5 billion for the 1967 estimated gross national product. This comes out at about 42.9 percent. What some people may forget is that the remarkable growth of the national product has been greatly stimulated by the wise investment of public funds by the Government.

Although the national debt, relative to the gross national product, has declined to the lowest point in 25 years, this does not indicate a lack of concern on my part with reducing the overall total.

Reduction of the total level of the national debt must come from a surplus between expenditures and national tax income. Such a surplus can only be obtained by increasing taxes or reducing expenditures. Several tax reductions have been made in recent years consistent with public demand and, of course, such reductions mitigate against the accumulation of a surplus.

National expenditures have increased because of the necessity of increased defense expenditures and pressing social problems such as housing, health, education, et cetera. These expenditures have been given priority over reduction in the level of the national debt by the Congress on the basis that they are of greater importance to our national security and the building of our domestic strength than debt reduction.

The table I am enclosing should give you some idea of the relationship between the two very important economic indicators, that is, gross national product and Federal public debt for the past 25 years:

[Dollar amounts in billions]

Fiscal year	Gross national product	Public debt at end of year	
		Amount	Percentage of GNP
1942	$139.2	$77.0	55.3
1943	177.5	140.8	79.3
1944	201.9	202.6	100.4
1945	216.8	259.1	119.5
1946	201.6	269.9	133.9
1947	219.8	258.4	117.5
1948	243.5	252.4	103.6
1949	260.0	252.8	97.2
1950	263.3	257.4	97.7
1951	310.5	255.3	82.2
1952	337.2	259.2	76.8
1953	358.9	266.1	74.1
1954	362.1	271.3	74.9
1955	378.6	274.4	72.5
1956	409.4	272.8	66.6
1957	431.3	270.6	62.7
1958	440.3	276.4	62.8
1959	469.1	284.8	60.7
1960	495.2	286.5	57.8
1961	506.5	289.2	57.1
1962	542.1	298.6	55.1
1963	573.4	306.5	53.4
1964	612.0	312.5	51.1
1965	651.8	317.9	48.8
1966	712.0	320.4	45.0

Mr. MILLS. Mr. Chairman, I have no further requests for time.

Mr. BYRNES of Wisconsin, Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Under the rule, the bill is considered as having been read for amendment. No amendment is in order to the bill except amendments offered by direction of the Committee on Ways and Means. Are there any committee amendments?

Mr. MILLS. Mr. Chairman, there are no committee amendments.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FASCELL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 10328) to increase the public

debt limit set forth in section 21 of the Second Liberty Bond Act, and for other purposes, pursuant to House Resolution 504, he reported the bill back to the House.

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

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

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

MOTION TO RECOMMIT

Mr. BYRNES of Wisconsin. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BYRNES of Wisconsin. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BYRNES of Wisconsin moves to recommit the bill H.R. 10328 to the Committee on Ways and Means.

Mr. MILLS. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

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

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 197, nays 211, not voting 25, as follows:

[Roll No. 123]

YEAS—197

Adams
Addabbo
Albert
Anderson, Tenn.
Annunzio
Ashley
Aspinall
Barrett
Bennett
Bingham
Blanton
Blatnik
Boggs
Boland
Bolling
Brademas
Brasco
Brooks
Burke, Mass.
Burleson
Burton, Calif.
Byrne, Pa.
Cabell
Carey
Casey
Celler
Cohelan
Colmer
Corman
Culver
Daddario
Daniels
Davis, Ga.
Dawson
de la Garza
Delaney
Dent
Diggs
Dingell
Donohue
Dorn
Downing
Dulski
Eckhardt
Edmondson
Edwards, La.
Eilberg
Evans, Colo.
Everett
Evins, Tenn.
Fallon
Farbstein
Fascell
Feighan
Flood
Flynt
Foley
Ford, William D.
Friedel
Fulton, Tenn.
Fuqua
Galifianakis
Gallagher
Garmatz
Gathings
Gettys
Giaimo
Gibbons
Gilbert
Gonzalez
Gray
Green, Oreg.
Green, Pa.
Griffiths
Hamilton
Hanley
Hanna
Hansen, Wash.
Hardy
Hathaway
Hawkins
Hays
Hébert
Hechler, W. Va.
Henderson
Herlong
Hicks
Holifield
Howard
Hull
Hungate
Irwin
Jacobs
Joelson
Johnson, Calif.
Jones, Ala.
Jones, Mo.
Karsten
Kazen
Kee
Kelly
King, Calif.
Kirwan
Kluczynski
Kornegay
Kyros
Landrum
Leggett
Long, Md.
McCarthy
McFall
McMillan
Macdonald, Mass.
Machen
Madden
Mahon
Matsunaga
Meeds
Miller, Calif.
Mills
Minish
Mink
Monagan
Moorhead
Morgan
Morris, N. Mex.
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nix
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill, Mass.
Patman
Patten
Pepper
Perkins
Philbin
Pickle
Pike
Poage
Price, Ill.
Pryor
Pucinski
Purcell
Randall
Rees
Resnick
Reuss
Rhodes, Pa.
Rivers
Roberts
Rodino
Rogers, Colo.
Ronan
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roybal
Ryan
St Germain
Scheuer
Shipley
Sikes
Sisk
Slack
Staggers
Steed
Stephens
Stratton
Stubblefield
Stuckey
Sullivan
Taylor
Teague, Tex.
Tenzer
Tiernan
Tunney
Udall
Ullman
Van Deerlin
Vanik
Vigorito
Waldie
Watts
White
Wilson, Charles H.
Wright
Yates
Young
Zablocki

NAYS—211

Abbitt
Abernethy
Adair
Anderson, Ill.
Andrews, Ala.
Andrews, N. Dak.
Arends
Ashbrook
Ashmore
Baring
Bates
Belcher
Berry
Betts
Bevill
Biester
Blackburn
Bolton
Bow
Brinkley
Brock
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burton, Utah
Bush
Button
Byrnes, Wis.
Cahill
Carter
Cederberg
Chamberlain
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Collier
Conable
Conte
Conyers
Corbett
Cowger
Cramer
Cunningham
Curtis
Davis, Wis.
Dellenback
Denney
Derwinski
Devine
Dickinson
Dole
Dowdy
Duncan
Dwyer
Edwards, Ala.
Edwards, Calif.
Erlenborn
Esch
Eshleman
Findley
Fino
Fisher
Ford, Gerald R.
Fountain
Fulton, Pa.
Gardner
Goodell
Goodling
Gross
Grover
Gubser
Gude
Gurney
Hagan
Haley
Hall
Halleck
Halpern
Hammer-schmidt
Hansen, Idaho
Harrison
Harsha
Harvey
Heckler, Mass.
Horton
Hosmer
Hunt
Hutchinson
Jarman
Johnson, Pa.
Jonas
Jones, N.C.
Kastenmeier
Keith
King, N.Y.
Kleppe
Kupferman
Kuykendall
Kyl
Laird
Langen
Latta
Lennon
Lipscomb
Lloyd
Lukens
McClory
McClure
McCulloch
McDade
McDonald, Mich.
McEwen
Mailliard
Marsh
Martin
Mathias, Calif.
Mathias, Md.
May
Mayne
Meskill
Michel
Miller, Ohio
Minshall
Mize
Montgomery
Moore
Morse, Mass.
Morton
Mosher
Myers
Nichols
O'Neal, Ga.
Ottinger
Passman
Pelly
Pettis
Pirnie
Poff
Pollock
Price, Tex.
Quie
Quillen
Railsback
Rarick
Reid, Ill.
Reid, N.Y.
Reifel
Reinecke
Rhodes, Ariz.
Riegle
Robison
Rogers, Fla.
Roth
Roudebush
Rumsfeld
Sandman
Satterfield
Saylor
Schadeberg
Scherle
Schneebeli
Schweiker
Schwengel
Scott
Selden
Shriver
Skubitz
Smith, N.Y.
Smith, Okla.
Snyder
Springer
Stafford
Stanton
Steiger, Ariz.
Steiger, Wis.
Taft
Talcott
Teague, Calif.
Thompson, Ga.
Thomson, Wis.
Tuck
Utt
Waggonner
Walker
Wampler
Watkins
Watson
Whalen
Whalley
Whitener
Whitten
Widnall
Wiggins
Williams, Pa.
Wilson, Bob
Winn
Wolff
Wyatt
Wydler
Wylie
Wyman
Younger
Zion
Zwach

NOT VOTING—25

Ayres
Battin
Bell
Bray
Clark
Dow
Fraser
Frelinghuysen
Helstoski
Holland
Ichord
Karth
Long, La.
MacGregor
Nelsen
O'Konski
Pool
Ruppe
St. Onge
Smith, Calif.
Smith, Iowa
Thompson, N.J.
Vander Jagt
Williams, Miss.
Willis

So the bill was not passed.

The Clerk announced the following pairs:

On this vote:

Mr. St. Onge for, with Mr. Battin against.

Mr. Thompson of New Jersey for, with Mr. Frelinghuysen against.

Mr. Karth for, with Mr. Vander Jagt against.

Mr. Holland for, with Mr. Nelsen against.

Mr. Clark for, with Mr. Pool against.

Mr. Helstoski for, with Mr. Long of Louisiana against.

Mr. Willis for, with Mr. Smith of California against.

Until further notice:

Mr. Williams of Mississippi with Mr. O'Konski.

Mr. Ichord with Mr. Bray.

Mr. Dow with Mr. Ayres.

Mr. MACDONALD of Massachusetts changed his vote from "nay" to "yea."

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

Mr. MACGREGOR. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MACGREGOR. Mr. Speaker, I was attending a function in the Rayburn House Office Building in the basement, where the bells did not ring. I arrived in the Chamber at the time the Clerk was calling the O's on the roll. May I qualify to vote "No" on this measure?

The SPEAKER. The gentleman must have been present and listening when his name was called, and he did not hear his name called.

Mr. MACGREGOR. Mr. Speaker, I appreciate the response of the Speaker, and regret that I cannot be recorded as voting "No" on this vote.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

Mr. GERALD R. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. GERALD R. FORD. Mr. Speaker, I take this time for the purpose of asking the distinguished majority leader the program for the remainder of this week.

Mr. ALBERT. Mr. Speaker, will the distinguished gentleman yield to me?

Mr. GERALD R. FORD. I yield to the distinguished gentleman from Oklahoma.

Mr. ALBERT. In response to the inquiry of the minority leader, Mr. Speaker, we will continue with the consideration of the food stamp bill, as previously announced. If that bill is finished at an early hour we will add to the program the bill H.R. 7476, redemption of silver certificates.

Mr. GERALD R. FORD. Mr. Speaker, would the distinguished majority leader indicate whether there is any intention to call up the conference report on the Selective Service Act?

Mr. ALBERT. We will have a conference report on the Department of the Interior appropriation bill.

Mr. GERALD R. FORD. On the Department of the Interior appropriation bill, but not on the Selective Service Act?

Mr. ALBERT. Not tomorrow.

Mr. GERALD R. FORD. I thank the distinguished majority leader.

GENERAL LEAVE TO INCLUDE EXTRANEOUS MATTER

Mr. MILLS. Mr. Speaker, I ask unanimous consent that all Members desiring to do so who participated in the debate on the bill H.R. 10328 this afternoon may be permitted to include extraneous matter with their remarks.

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

There was no objection.

WEST POINT GRADUATION

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. SAYLOR. Mr. Speaker, I had the distinct pleasure today to attend the graduation exercises of the U.S. Military Academy at West Point, N.Y., and I proudly witnessed not only the graduation of my two appointees, cadet captain and brigade commander, Jack B. Wood, and Frank J. Fabish, both from Johnstown, Pa., but also the presentation of diplomas to 582 others as well.

It was an impressive ceremony attended by thousands of relatives and friends of the cadets. All of us had the opportunity to hear the eloquent address by Stanley R. Resor, Secretary of the Army, and I include his speech in the RECORD at this point so that my colleagues and the general public will have an opportunity to read the message conveyed by the Secretary to those assembled.

ADDRESS BY HON. STANLEY R. RESOR, SECRETARY OF THE ARMY, AT THE GRADUATION EXERCISES, CLASS OF 1967, U.S. MILITARY ACADEMY, WEST POINT, N.Y., JUNE 7, 1967

General Bennett, Congressman Everett, Congressman Saylor, General Bradley, General Haines, Other Distinguished Guests, Members of the Class of '67 and their Parents and Friends, Ladies and Gentlemen, West Point is always a source of pleasure and inspiration for me. Today this is particularly so, for there is a special happiness and a special excitement at commencement time. All of us who come to share this day with you sense the mixture of emotions and the feelings of endings and beginnings which mark every commencement at every college. But at West Point those emotions and feelings are heightened by the beauty of our surroundings, the tradition of excellence which pervades the Military Academy, and most of all by the knowledge that you are going forth to join and swell a 165 year old stream of graduates in the direct service of the nation.

The importance of this institution which you are about to leave cannot be measured by the number of its graduates alone. But some idea of its contribution to our nation can be derived from the fact that when Mr. Anastasi receives his diploma a few minutes from now he will become the 27,241st graduate. Nearly three-quarters of this number are still living and almost half are in the active service of our country today.

I first encountered the spirit of West Point 25 years ago when I served with and under graduates of the Military Academy. In the course of nearly four years of training and combat, I came to know, to admire and to respect the qualities which had been nurtured in them here—integrity, idealism, consideration for others, and a passion for service.

In the quarter century which has gone by since those war years, my early impressions about the greatness of West Point and its graduates have become fixed convictions. I now am privileged to serve again with the Army, but it is a quite different Army from the one which I entered in 1942. Then, the Army was expanding rapidly from a very small permanent establishment. The relatively few career officers and non-com's were spread thin, but they taught and guided the rest of us. It was their professionalism which held a citizen force together and made it into a magnificent fighting Army. Today we are expanding again—this time to meet the demands of our commitment in Southeast Asia. In less than two years, the strength of the Army has increased by more than 50%, but it remains a professional organization in every respect. It should be at once sobering and stimulating for you to consider that the roots of that professionalism lie here.

Soon you will be leading American soldiers actively engaged in the defense of freedom. Since World War II, the United States has played the principal role in that defense. We have done so at immense cost in men and material things because we believe deeply in the dignity of the individual and in his right to choose freely his form of government, and because a world in which these principles are not honored cannot in the long run be a peaceful world, for us or for anyone else. Today our commitment to these ideals is being put to the test of battle in Vietnam.

Most directly affected by our commitment is the American soldier. He and his family bear a heavy burden in our society today. The danger, separations and hardships which most Americans associate with World War II, when our whole nation was mobilized, are once again a part of the Army's way of life. Most of his fellow citizens today are not personally involved in the Vietnam war, but this merely accentuates the demands placed upon our soldiers. By willingly accepting the challenges thrust upon them, by not counting the price but pursuing their difficult tasks with a sense of patriotism and service, America's fighting men are setting the example for all of us.

In talking to soldiers throughout the world I have learned that they do not regard their hardships as sacrifices. They undergo danger and inconvenience willingly and in good spirit because they believe in our cause.

These men who will soon be placed in your charge are a cross-section of America's youth. They are bright, eager, inquisitive and enthusiastic. Of them General Westmoreland has said: "They are a credit to our country and our society. Their mothers and fathers and their wives can be truly proud of their attitude, their courage, their understanding, their compassion, their integrity and their endurance."

I add that they are superbly led. Despite the doubling of our officer strength from 70,000 to 130,000 since the post World War II period, the overall skill and educational level of our officers has steadily increased. Then less than half were college graduates; now more than three-quarters are. Today 90% of our regular officers hold college degrees, but that does not tell the whole story, for well over one-third of our regular lieutenant colonels have received degrees at the Masters or Doctoral levels. And these men are not simply educated men; they have gone through the test of battle, the ultimate test in the profession of men at arms. No other Army in the world has the depth of combat experienced officers that we possess in every grade. You are joining a tested and talented officer corps which has never been exceeded in effectiveness, professionalism and service in the history of our nation.

There are doubtless many ways to define what makes a profession truly rewarding, but surely any definition would include at least two elements: a sense of service to others, and opportunity for growth in knowledge, understanding and responsibility. Both these elements are markedly present in the careers you are about to take up. First, you have an unusual opportunity to serve your fellow man. Second, as you give this service you will be exposed to a truly remarkably diversity of tasks, people and places which will stimulate your growth as a person and, as you grow, will increase not only your capability to serve, but also the sense of personal worth which is essential to the happiness of man.

You will have opportunities for adult education which are as great as, or greater than those offered by any other career. In the course of the next two decades, many of you will have four or five more years of formal education at military institutions and civilian universities. But above and beyond this opportunity lies that of learning through exposure to a variety of experience and responsibility. In the course of your career, you will have more duties, dealing with a wider range and diversity of problems, than is the case with any other profession, and it is certain that you will be asked to perform tasks and meet challenges whose nature and existence we are quite unaware of today.

As a cross-section of American society, the Army often reflects many of the tormenting problems which the continuing process of social change engenders. With its command structure, its discipline and its institutional drive to solve rather than avoid problems, the Army is in many ways America's best proving ground. Witness the Army's remarkable success in rooting out racial discrimination. Here is proof to the rest of America—and to the world—that not only is social justice within our country's reach, but also we are stronger for having achieved it. There will be other changes sweeping through our society and through the Army and you will have the challenge of dealing with them as they occur.

Ours is an Army of many missions, each of which offers opportunities for service and individual growth. This wide diversity of missions requires, in turn, individuals with a diversity of talents. Your basic mission as an officer is to lead, but officers also teach, plan, budget, study, judge and govern as they move from command to staff to support roles and back again. Your primary responsibilities in time will range from troop leadership to maintenance, communications, supply, transportation and all the other functions which enable our Army to live and to fight. Depending on your talents and aspirations, your assignments may find you engaged in military assistance to other nations, research and development, civil administration, designing manpower policies, developing the water resources of the United States, advising ambassadors, teaching foreign languages or devising new applications of nuclear energy. Indeed, our Army today offers countless opportunities for you to pursue excellence, to be pushed to the limit of your talents in that pursuit and to rise to high responsibility in your chosen field.

For you these opportunities are about to unfold. You will find that your early years as lieutenants will always be remembered as a particularly rewarding period. You have been students drawing from society; now you are about to become teachers in the largest

educational establishment in the world. Your direct, personal involvement with the lives of the men serving under you will never be as great again as in the next three or four years.

Your new duties will be incessantly demanding—of your time, of your energy, of your inventiveness. Unlike those who practice the other professions involving human life and welfare, whose responsibilities end when the patient is cured, when the case is solved, or when the lesson it taught, the platoon leader has continuing responsibilities similar to those of a parent, only forty times over. They never end. They shift continually to meet the full gamut of problems in which human beings can become involved. Frustrating as they may seem at times, solving these problems will be a deeply rewarding experience for you.

The soldier who possesses a skill because you have helped him to learn it; the soldier whose personal affairs have been put in order through your guidance; the soldier who enjoys a hot meal, or a bath, or clean clothes as a result of your perseverance; the soldier who survives in combat because of the way you have trained him or led him—none of these men will ever pay you for services rendered. Often, they will not even express their gratitude in words. But as you win their confidence, you will have the satisfaction of seeing them follow the example that you set. They will begin to help each other and your unit's cohesion and effectiveness will grow right under your eyes and you will know that you are responsible for it. These are tangible rewards of service, and you can begin to reap them soon.

As the years pass you will move up to positions of greater responsibility. Paradoxically, as you do, the direct tangible evidence of your impact on men and institutions will diminish, but your total influence on the course of events will be ever larger. If that influence is at times imperceptible from day to day, nevertheless your presence, your stimulus, your foresight will mean change and improvement for years thereafter.

Sixteen or more years ago you began your education. Now you have completed four years of arduous college studies. The foundation is laid, built on your innate abilities, your enthusiasm, your ideals. Now the never ending education of adulthood and leadership begins. Now you go forth to serve in the Army of your country in the first of a series of ever more challenging assignments. The great opportunity to learn and to grow and to serve lies ahead for you. Here at West Point you have made the beginning which will enable you to seize that opportunity. The future of our Army's leadership and of the security of our country will depend on your achievements. I am confident of that future.

Good luck and God speed to all of you.

Mr. Speaker, also, I would like to include the names of those in the class of 1967 according to general merit.

CLASS OF JUNE 7, 1967, U.S. MILITARY ACADEMY

1. Ernest Clayton Heimberg, Jr.
2. Martin McCurdy Cassity, Jr.
3. Ronald Lee Weitz.
4. William Arthur Richards
5. Robert James Carpenter.
6. Charles Philip Hernandez.
7. Wilbur Stone Jones, Jr.
8. Ernest Robert Natalini.
9. Terry Davies Hand.
10. Roger Joseph Arango, Jr.
11. Roger James Purcell.
12. Norman Louis Nesterak.
13. Charles Jeffrey Mills.
14. Albert Jack Nahas.
15. Thomas Raymond Hankard.
16. Michael Bennis McBride.
17. Richard Ernest Radez.
18. William Douglas Brown.
19. Michael Alan Heyne.
20. John Daniel Montanaro.
21. Richard Arthur Jones.
22. Raymond John Winkel, Jr.
23. Lawrence Leonard Izzo.
24. Jim Neal Brantner.
25. Michael Frank Delleo, Jr.
26. Wallace Earl Walker.
27. Norbert Joseph Reder, Jr.
28. Charles Shrader Thomas.
29. George Beverly Winton.
30. Robert Howard Miller, Jr.
31. Peter Paul Summers.
32. Hobart Burnside Pillsbury, Jr.
33. William Walter Sharkness.
34. John Ruzick Hadorn.
35. Gerald Graham Threadgill.
36. Bruce Bagley Hedrick, Jr.
37. Vernon Parker Saxon, Jr.
38. Stephen Robert Sears.
39. John Stephen Garay.
40. Richard William Kline, Jr.
41. William Reed Morrell.
42. William Richard Lynn.
43. Mark Rowland Fischer.
44. Robert Allan Haeffner.
45. Harry Edward Rothmann, Jr.
46. Chad Whitney Keck.
47. Edward Nolan Tipton.
48. Jack Bruce Wood.
49. Daniel Roger Wells.
50. Karl Henry Jacobs.
51. John Edward Newton.
52. William Ray Pennington.
53. Bartholomew Bernard Bohn II.
54. James Robert Sargeant.
55. William James McDowell.
56. Brian Eugene Hayes.
57. Steven Peter Yambor.
58. Thomas Norman Swett.
59. Palmer John Penny III.
60. Karl Donus Sakas.
61. John LeRoy Combs.
62. Christopher Scott Commons.
63. Robert Emmett Keenan, Jr.
64. Richard Hardwicke Rice, Jr.
65. William Wayne Obley.
66. Harry Alva Tucker, Jr.
67. John Edward Kelly, Jr.
68. Thomas Dale Blaney.
69. Jon Stuart Behrens.
70. Brian James McCrodden.
71. David Lewis Powers.
72. James Thomas Reilly.
73. Gordon Mason Brown II.
74. Robert Nelson Davie, Jr.
75. Thomas Paul Jacobus.
76. John Paul Kuspa.
77. Giuliano M. Toneatto.
78. Todd Lawren McConnell.
79. Jack Edward Obert, Jr.
80. Jeffrey Ross Madsen.
81. Monte Merryman Parrish.
82. Karl William Mills.
83. Charles William Streit.
84. Anthony Von Dida.
85. Richard Andrew Phalan.
86. Richard Henry La Bouliere.
87. Earl Richard Refsland.
88. Joseph Ernest Root III.
89. Warren Michael Sands.
90. Edward John Dewey.
91. Nielsen Raymond Palmer.
92. Rufus Hale Shumate, Jr.
93. Stephen Allan May.
94. John Anthony Yankus.
95. Thomas Andrews Petrie.
96. John Elza Adamson.
97. David Carl Jones.
98. Thomas Marshal Curtis.
99. William Randolph Condos, Jr.
100. David Brice Bean.
101. Alexander Richard Jansen.
102. Dennis Michael Mikale.
103. Edwin Paul Smith.
104. George Alphonse Schaefer, Jr.
105. James Byers Allen.
106. Richard Volney Gladstone.
107. Asa Alan Clark IV.
108. Richard Edward Foelsch.
109. David Richard Evan Hale.
110. David Elliot Peixotto.
111. Joseph Visconti, Jr.
112. Robert Leaming Portney.
113. Kent Edward Kraus.
114. James Kenneth Brierly.
115. William Edwin Cates.
116. John Richard James.
117. George Stephen Viney.
118. Ronald Edgar Dionne.
119. Hartmut Henning Lau.
120. James Byron Cowart.
121. Tital Windham McCoy.
122. Calvin Bricker Delaplain.
123. William Langfitt Wilby.
124. Lawrence Remi Smith.
126. Dennis Edward Coates.
126. William Henry Eggering.
127. Charles Costanza, Jr.
128. Walter Edward Mather, Jr.
129. Walter Lee Murfee.
130. Thomas Ross Still.
131. Mark Wayne Miller.
132. Michael Minoru Kishiyama.
133. John Edward Goodnow.
134. Roger Thye Heimann.
135. Montgomery Cunningham Meigs.
136. Paul John Kern.
137. Burk Everett Bishop.
138. Eddie Lee Marion.
139. Robert Keith Williams.
140. Robert Peter Hagen, Jr.
141. Charles Harlan Swanson.
142. Jerry Lee Hines.
143. Michael Joseph Aiello.
144. Alton Parker Donnell, Jr.
145. Christian Frank Vissers.
146. Steve Gradon Barbee.
147. James Harold Saine.
148. Charles Michael Rankin.
149. Richard Leslie Kiper, Jr.
150. Robert Arden Hixson.
151. Harvey Grant Taylor, Jr.
152. Richard Thomas Newell.
153. Richard Earl Waterman.
154. Frank Henry Kreger III.
155. John Charles Gale.
156. Robert Neal Stromberg.
157. David Harold Kelley.
158. Reginald Graham Moore, Jr.
159. William Leonard Brigadier.
160. Thomas James Waraksa.
161. Richard Miller Hill.
162. Rand Karl Shotwell.
163. Edward Richard Hubshman.
164. Louis John Colella.
165. Tadashi Glenn Yuguchi.
166. Thomas Jackson Parr.
167. Paul Ballance Haseman.
168. Steven Thomas Kurtyka.
169. Gary Levone Hall.
170. Lawrence Hugh Marlin.
171. David Lee Tye.
172. Thomas Christopher Pettit.
173. Thomas Donald Thompson, Jr.
174. Frank Marchman Perry.
175. George Edward Dials.
176. Jean Marc Ducharme II.
177. David Joseph Bucchieri.
178. Carlton Gerald Savory.
179. Harry Oliver Taylor.
180. David Samuel Rowley.
181. Richard Michael Mullane.
182. Gary Lee Hyde.
183. Richard Adrian Ankener.
184. Dennis William Huyck.
185. James Edward Pryor.
186. Andrew William Maron.
187. John Harris Douglas.
188. Douglas James Pringle.
189. Donald William Dietz.
190. Thomas Bernard Dyer III.
191. Gary Thomas Downs.
192. Jon Christopher Shuler.
193. Francis Lee Smith, Jr.
194. Joseph Garside Terry, Jr.
195. Richard Dabney Estes.
196. John Edward Cunningham.
197. Augusto Lim Palomar.
198. Charles Gordies Sutten, Jr.
199. William Alan Pittenger.
200. Robert Lewis Segal.

201. Donald Pedersen Albers.
202. James Robbins Balkcom, Jr.
203. Tom Emerson.
204. Roger Wayne Waltz.
205. John Edwin Severson.
206. Jan Philip Askman.
207. James Anthony Tankovich.
208. Frederick Richard Schremp.
209. Max Powell Bailey III.
201. James Daniel Fowler, Jr.
211. Richard David Hulse.
212. Michael Lewis Barney.
213. William Michael Langlois.
214. Robert Lee Harris, Jr.
215. Ronald James Naples.
216. William Frederick Hausman, Jr.
217. John Lawrence Banks Smith, Jr.
218. Robert Charles Keck.
219. John Spencer Caldwell, Jr.
220. Robert Springer Metzger II.
221. Robert Kenaston Griffith, Jr.
222. Cole Wesley Minnick, Jr.
223. Richard Alan Grube.
224. Robert Felix La Raia.
225. Daniel Patrick Ragsdale.
226. Kenneth Allen Rice.
227. Thomas Parnell McManus.
228. Robert Fields Shaw.
229. Frederick Howard Thomas.
230. Thomas Eugene White, Jr.
231. Marvin La Verne Tieman.
232. Parker Tonjum Anderson.
233. Stephen Lynn Frankiewicz.
234. Charles Michael Hickey.
235. Anson Slappey Ramsey.
236. Anthony Henry Cortese.
237. Robert Aldo Cenci.
238. David Mel Partridge.
239. Elmer Michael Casey, Jr.
240. David Robinson Ellis.
241. Emmett Earl Hughes.
242. Richard Howland Gooding.
243. Malcolm Howard Philips, Jr.
244. Dean Douglas Hansen.
245. Frederick John Barofsky.
246. Michael Noboru Nii.
247. Richard Thomas Altieri.
248. James Judson Findley.
249. Michael Wai Lim Yap.
250. Benjamin Landis Weakley, Jr.
251. Gus Blakely Robinson.
252. Andrew Joseph Nusbaum.
253. Jerry Dale Walker.
254. Joseph Schuyler Hardin, Jr.
255. Robert Hughes Evans.
256. Peter Gustaf Hanelt.
257. Harry Douglas Hoskins III.
258. Kenneth Roger Bush.
259. Michael Rob Hardy.
260. Andrew Komblevitz.
261. Dean Masao Kunihiro.
262. John Albert Bornmann, Jr.
263. George Frederick Kolesar.
264. Mark Randall Hamilton.
265. Frank Allen Hill 3d.
266. Arlin Cornelius Ruthven.
267. David Richard Mosser.
268. James Robert Baker.
269. Joe Melvin Dietzel, Jr.
270. Peter Bray Krause.
271. David Merriam Snyder.
272. Ferdinand Loray Schwartz, Jr.
273. Richard Dale Releford.
274. Edward Van Schaick Moore.
275. Ralph Gregory Mohler.
276. George Atencio Rodriguez.
277. Charles Robert Meyer II.
278. Michael William Shelton.
279. Lewis Prichard Kasper.
280. Colin Craig Smith.
281. Douglas Holland Starr.
282. Richard Angelo Comi.
283. Robert Irvin Curtis.
284. Gary Lee Moyer.
285. Robert John Love.
286. Henry Mathias Uberecken II.
287. James Thomas Ralph Johnson, Jr.
288. Darrel La Verne Mooney.
289. Robert Ad. m Wysocki.
290. William Joseph Donohue, Jr.
291. Daniel Patrick Schrage.
292. Robert Shiel Mc Eldowney.
293. Gerald Joseph Molnar.
294. Richard Arthur Black.
295. John Thomas Boyt III.
296. George Perry Hubert.
297. William Patrick Foley.
298. William Terence McMahan.
299. Randall William Moon.
300. John Joseph Boretti.
301. John Raymond Ouellette.
302. John Harry Jorgenson II.
303. Michael Franklin Kush.
304. Gregory Arthur Rice.
305. Richard Curtis Adkins.
306. Daniel Leo Neuburger.
307. Jonathan Kent Burns.
308. Milford Berten Hutchinson III.
309. Joseph Edmund DuBois.
310. George Paschal Lupton.
311. Robert Douglas Murrill, Jr.
312. Michael Francis Lascher.
313. Gary Michael Chambers.
314. Paul James Cmil.
315. Thomas Robert Guignon.
316. Joseph Forter Jackson, Jr.
317. William Gustav Held.
318. Mario Armando Loyola.
319. Bruce Shepley Richardson.
320. Randall Martin Pais.
321. David Richard McAdoo.
322. Robert Ralph Angeli.
323. Michael Edward Alverson.
324. John Patrick Brown.
325. Donald George Helmstadter.
326. Ronald Lloyd Frazer.
327. Donald Homer Dwiggins, Jr.
328. George Harry Kellenbenz.
329. Henry Paul Timm, Jr.
330. Dana McGhee Groover.
331. Carl Allen Bowen.
332. Timothy Bruce Russell.
333. John Wilbert Thiltgen.
334. Thomas Lanyi.
335. Robert Charles Doheny.
336. Paul Richard Kokonowski.
337. Leonard Lee Preston, Jr.
338. Steven Albert Toelle.
339. James Michael Miley.
340. William Allen MacDonald.
341. Virgil William Stone.
342. Sealon Romane Wentzel, Jr.
343. Michael Thomas Segraves.
344. William Carl Groman.
345. Barry Edwin Nickerson.
346. Richard Scott Farr II.
347. Garth Lynn Fowler.
348. Gary Lee LaBelle.
349. Gordon Lee Rankin.
350. Thomas Hamilton Jackson.
351. William Price Moore III.
352. Charles Warren Trainor.
353. James Louis Walden.
354. Michael Norton.
355. David McKell Hadly.
356. Michael Dirk Kelley.
357. Edward John Beck.
358. James Alan Alich.
359. Michael Calhoun Winton.
360. George Washington Watts III.
361. Robert Armin Frank.
362. Val Duane Millard.
363. Glynn Walter Hale.
364. Daniel Wayne Jinks.
365. Michael Montgomery Cain.
366. Jerry Lynn Nowels.
367. James Ray Horton.
368. Charles Lee Baker.
369. Thomas Roy Hill.
370. Robert Jacoby Mengert.
371. James Ford Jackson.
372. Sherwood Clark Spring.
373. Joel Trevor Matulys.
374. John Reginald Hall II.
375. Gary Allan Wikert.
376. Michael Scott Lancaster.
377. Forrest Douglas Williams.
378. John Charles Mackerer, Jr.
379. Thomas Allen Schwartz.
380. George Pejakovich.
381. Robin Allan Walker.
382. James Milton Weller.
383. William Lloyd McMillan.
384. Jeffrey Alan Stark.
385. Terry Owens Atkinson.
386. Peter Economos.
387. James Paul Jones.
388. Jack Arthur Windeler.
389. Philip Anthony Burkett.
390. Donald William MacPherson.
391. John Thomas Corley, Jr.
392. James Francis Ruhl.
393. Philip Allison Hogue, Jr.
394. Richard Barlow Adams.
395. Richard Oliver Bickford.
396. Frank John Fabish.
397. John Edward Marshall, Jr.
398. John Peter Canevet.
399. James Paul de Santis.
400. Bruce Carl Baccei.
401. Richard Lee Ehrenreich.
402. David Lynn Baggett.
403. Lloyd Philip Kinney.
404. Willis Freed Lowrey, Jr.
405. Lodwick Kirkland Alford.
406. Herbert Lewis Altshuler.
407. Clark Alfred Stave.
408. William Paulson Koch.
409. James Edward Stewart.
410. Kenneth Alan Harris.
411. Edward John Locke.
412. Paul Augustus Bigelman.
413. Richard Essington Karl Brawn.
414. Paul Edwin Lima.
415. Gary Waldon Atkins.
416. John Marion Willard Graham.
417. William Lyman Haines.
418. Alan Eric Seyfer.
419. Carlan Joseph Kraft.
420. William Hoagland.
421. Donis Rainey Wolfe.
422. Claude Paul Herman.
423. Thomas Michael Murphy.
424. James Frank Cali, Jr.
425. Norman Billings Mekkelsen, Jr.
426. John Edward Thomson.
427. Joseph Carney Theis.
428. Thomas Natunen Thornton.
429. Gary William Carlson.
430. Randall Loftin Kinnard.
431. Frederick Edward Hartman.
432. George Richard Fischer.
433. Steven Gregory Honzo.
434. Douglas Taylor Gray III.
435. James Lee Milliken.
436. Phillip Michael Fracker.
437. Michael Gramling Parr.
438. Thomas Peter Condon.
439. Kenneth John Leonardi.
440. Wayne Allen Monroe.
441. Michael Thomas Spinello.
442. Dean Philipp Risseeuw.
443. Douglas Earl Cole.
444. Myron Solon Steere III.
445. Alan Douglas Olson.
446. Loren Herbert Horman II.
447. Thomas Joseph Cullen, Jr.
448. Benjamin Rodriguez.
449. Everett Dennis Lucas, Jr.
450. David Paul Rivers.
451. Gary La Verne Frazier.
452. Robert Lawson Sellars.
453. Michael Anthony Hood.
454. James Robert Adams.
455. Elwood Marc Eme.
456. Emett Robert White IV.
457. Richard Wesley Platt, Jr.
458. Terry Lee Hegglin.
459. George Edward Newman III.
460. Raymond Thomas Roe.
461. Kenneth Edward Williams.
462. Jack Alvin Ziemke.
463. John Allen Frink.
464. Raymond Alonzo Heath, Jr.
465. James Oliver Vance.
466. Michael James Cox.
467. Gerald Stanley Misurek.
468. Robert John Nolan.
469. Joseph Paul Stock, Jr.
470. Aaron Edward Coe.
471. Robert Franklin Griffin.
472. James Carroll Crowley.
473. David Michael Bishop.

474. Jose Manuel Pena.
475. Gregory Lewis Crawford.
476. Louis Bailey Trevathan, Jr.
477. Dale Jay Hikes.
478. Michael Scott Lighthill.
479. John Patrick Charters.
480. Roger Alan Fulkerson.
481. John Arch Rollow IV.
482. Gregory Wayne Smith.
483. David Dwight Horton.
484. Michael Edward Dunn.
485. Edward Anthony Bernard Bryla.
486. Steven Wayne Kujawski.
487. William Francis Freccia.
488. Davis Henry Loftin.
489. Derek Lodge Younkin.
490. William Charles Gonser.
491. Hampton Allen Etheridge III.
492. Thomas Charles Rothrauff, Jr.
493. William Whitaker Horn.
494. John David Hart.
495. William Fuger Cusack, Jr.
496. Kenneth Du Pont Strong.
497. Donald John Nelson.
498. F. Scott MacFarlane.
499. James Ernest Roberts.
500. James David Osborne.
501. Craig Damien Butler.
502. John Joseph Avard.
503. George Ronald Sutton.
504. Robert James Lenz.
505. Michael Carl Kempf.
506. Henry Joseph Berthelot.
507. Michael Joseph Neuman.
508. James Ronald Siket.
509. Sterling Wayne Mc Colgin.
510. Gerry Lynn Fox.
511. Arnold Cano Arosemena.
512. Robert Douglas Herb.
513. Ellis David Greene.
514. Michael George Riess.
515. Charles Marion Stancil.
516. Townsend Sutherland Clarke.
517. William Jackson Ervin III.
518. Alfred Earl Burer.
519. Christopher Allen Biltoft.
520. Brian Edward Mahoney.
521. Michael Chenoweth Wimert.
522. Robert Eugene Knapp, Jr.
523. Donald Charles Hertzfeldt.
524. Paul Marcus Cline, Jr.
525. Robert Charles Unterbrink, Jr.
526. Thomas Clifford Coker.
527. Edwin Neil Jordan, Jr.
528. John Arthur Graziano.
529. Kerry Leigh O'Hara.
530. Lee Emir Cage, Jr.
531. Michael Hunter Warren.
532. Wesley James Spincic.
533. Steven Everett Doty.
534. Victor Clayton Pangle II.
535. Robert John Libutti.
536. Michael Leo Nathe.
537. Norman Ray Jones.
538. Robert MacHartley.
539. William Allen Pollitt.
540. Robert Jean Paul Begin, Jr.
541. Carrol Jaye Howard.
542. James MacDonald Warner.
543. George Littler Harmon.
544. John Brandeau Landgraf.
545. Marshall Kirk Bolyard.
546. Gordon Adam Socher.
547. Clarence Emmett Mahle.
548. John Nathan Stewart.
549. James Otto Haas.
550. William Allen Norton.
551. Thomas Havard Sayes III.
552. Mathew Stewart Mathews III.
553. Terry Lee Ketter.
554. Raymond James Enners.
555. Robert McGarvey Colson.
556. Jimmy Nelson Bondurant.
557. William Thomas Platt.
558. William Frank Petruzel.
559. Hugh Bernard Brown III.
560. Ward Franklin Dean.
561. John Hampden Murrell.
562. David Kennedy Hewett.
563. Joseph Charles Casey.
564. Michael Bland Ellzey.
565. Stephen Kenton Grove.
566. Timothy Paul Gilbert.
567. George Edward Perkins.
568. Richard Thomas Clapper, Jr.
569. Charles Stephen Horwath.
570. Robert Andrew Kunselman.
571. Manuel Alvarez.
572. Robert Wayne Rettig.
573. Howard Martin Harmless II.
574. Bobby Gaither Whaley.
575. Michael Allen Andrews.
576. Edward Arthur McShane Sullivan.
577. John Edward Mikula.
578. Charles Thomas Heisler.
579. Kenneth Wayne Smith.
580. Thomas Richard Francisco.
581. Peter Joseph Gizzi.
582. David Gair Blanchard.
583. Wayne Keith Schaltenbrand.
584. Richard William Anastasi.

INTERNATIONALIZATION OF SUEZ CANAL TO FINANCE U.N. OPERATIONS

Mr. DENT. 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 Pennsylvania?

There was no objection.

Mr. DENT. Mr. Speaker, I and five other Members of Congress have today sent an expression of what we feel ought to be done in the Near East crisis, to Hon. Arthur Goldberg, U.S. Ambassador to the United Nations. The telegram is as follows:

JUNE 7, 1967.

Hon. ARTHUR GOLDBERG,
U.S. Ambassador to the United Nations
New York, N.Y.:

Suggest internationalization of Suez Canal under management of U.N. Revenues after necessary obligation and expenses to be used to finance U.N. operations.

Further discussion and study of other canals connecting international waters, to prevent future crises, would free U.N. from pressure of due paying nations and make U.N. truly into a world organization.

Congressman JOHN H. DENT,
of Pennsylvania.
Congresswoman EDITH GREEN,
of Oregon.
Congressman FRANK ANNUNZIO,
of Illinois.
Congressman CLEMENT ZABLOCKI,
of Wisconsin.
Congressman DAN ROSTENKOWSKI,
of Illinois.
Congressman FRANK J. BRASCO,
of New York.

THE HISTORY OF LANCE CPL. WILLIAM DONALD "BILL" JINKS OF BAY CITY, TEX.

Mr. YOUNG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include an article and a letter on the life and service of "Bill" Jinks from the Daily Tribune of Bay City, Tex.

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

There was no objection.

Mr. YOUNG. Mr. Speaker, the high quality and dedicated character of our American youth comes as no surprise to you and the Members of this House who are much closer to our people than the hard-shelled skeptics who enjoy finding fault with everything good about our Nation, including the courage and patriotism of our American boys. Because of the ill-considered and ill-founded conclusions that are drawn by some of our young Americans from the few miserable misfits who desecrate their flag and burn their draft cards, it is fitting to enter into the permanent RECORD of this House accounts of patriotism which are typical of the great majority of our American youths.

The story of Lance Cpl. William Donald "Bill" Jinks, of Bay City, Tex., is just such an account. Bill Jinks was a patriotic young American who took himself seriously, who took his country seriously and who took his God seriously. He was a religious boy who found religion thoroughly compatible and a complement to all other good things as well, among these being the love for his country and the desire to defend it against its enemies. To this end he gave his life.

Mr. Speaker, I desire also to include in the RECORD a letter from Mrs. Edward J. Anderson from the Bay City Tribune of May 23.

BILL JINKS DIES IN VIETNAM ACTION

Marine Lance Corporal William Donald "Bill" Jinks, 21, of Bay City, son of Rev. and Mrs. C. P. Jinks, was killed Friday in Vietnam action.

A member of an artillery unit firing at enemy positions, Jinks was fatally struck by a mortar round launched by North Vietnamese trying to knock out the big U.S. guns.

Rev. Jinks, now minister of Central Baptist Church in Lamoni, Iowa, notified Bill's uncle, Don Bell of Bay City by phone Sunday afternoon of the tragedy. Mrs. Jinks is the former Irene Bell, daughter of Mr. and Mrs. Frank Bell who live at 3000 10th Street in Bay City.

Bill, although having lived in Canada, Alabama, Florida and Washington during his life, called Bay City home because of his grandparents and many aunts and uncles residing here. He joined the Marines while living here Feb. 28, 1966 and had been in Vietnam since Sept. 9, 1966.

The young Marine was still a member of Calvary Baptist Church and the funeral will be held in the church here when his body is returned from Vietnam.

In his last letter from Vietnam—to his brother, Kenneth W. Jinks of Bay City—Bill, writing by candlelight as mortar shells flew over his head, said, "I'm doing what I want to do and feel I should be doing; there are a lot of guys over here taking a bigger risk than I am . . ."

Members of his immediate family surviving in addition to Ken are two other brothers, Claude E. Jinks of Kansas City and Rev. Charles P. Jinks of Port Hueneme, Calif., and a sister, Mrs. Keith (Nancy) Becker of Calgary, Alberta, Canada.

Bill was a graduate of Chelan High School in Chelan, Washington, and attended college in Oakland, California, and Kansas City prior to the family's moving to this area. The young man then attended Houston Baptist College.

Jinks had received a promotion to Lance Corporal only last month for his outstanding record in the Corps.

MARINE CORPORAL BILL JINKS IS DEAD, BUT THE EXAMPLE HE SET WILL LIVE ON

To the EDITOR:

In recent weeks I have become more concerned than ever before with the growing change in attitude of our country and its modernistic trends. With headlines giving more and more space to race riots, Cassius

Clay-type draft dodgers and agnostics or proclaimed atheists shouting "God Is Dead," my entire being has been filled with a terror unmatched by any I have known before.

How could I as a mother hope to teach my children strong ideals and an immovable loyalty to God and Country with half the world thinking God Is Dead and the other half too unconcerned to do anything about it?

How might I teach them to know the thrill of seeing Old Glory swirl and unfurl its stars and stripes with a pride that brings a lump into the throats of the men and women of my generation? . . .

Even greater than the problems mentioned, how might I show them that God is indeed alive and tangible?

Is it possible to teach a child in today's troubled world that high standards are still something to maintain and that Christian faith is to be cherished?

With all the confusion of our hurried world, until today, I was filled with doubts.

Until now . . .

On Friday, the 19th day of May, Marine Corporal William D. Jinks died in Viet Nam.

He was not old fashioned, but he died a patriot.

He was not radical, but he served a living God.

He was one of our new generation. The kind we can look upon with great pride.

Last year when Bill announced to his parents and friends that he planned to leave Houston Baptist College where he was studying the ministry, to join the Marines, we were appalled.

Why? You have a college deferment. You don't have to go now. Wait til you finish school. Wait til the war situation is not so bad.

Bill answered quite simply that he felt led by God to go. He felt he was needed in Viet Nam.

He amused many of us with his efforts to get into shape before taking his physical so basic wouldn't be so rough . . .

Some of us still questioned his decision. When he passed the physical he walked in tall cotton for days because he felt it was God's way of showing him he was going in the right direction. He knew he faced hardships and that he had a 50% chance of not returning. Yet he wanted peace for his country and wanted to fight for it in a land so foreign to most of us we can't find it on a map.

He never wavered in his conviction that God was sending him or calling him to Viet Nam. When he got there, he was faithful to write, talking very little of the war, writing of the familiar things he missed, always gratefully thanking the sender for each letter or package sent, steadfast in his faith in God, and always asking for our prayers.

Sunday when I learned that Bill was gone, I felt a great personal loss. But sadness always brings a great flood of memories, for me, loving memories, and among my precious memories of Bill Jinks I found a renewed faith in God, my country and my fellow man.

God is not dead! He could not be dead, and speak to a young man's heart so loudly that he would go bravely into battle and fight for freedom.

Patriotism has not vanished, for with his love of God and his strong desire to do the will of God, Bill carried to war a great love for his country and a real concern for the souls of the young men who will mold its future.

We will not share light, gay and happy moments with Bill again, but because he was a living witness for Christ in a place where young men could not deny God, some of our young men will return with a different outlook on life and perhaps change our world greatly.

For those who follow Bill in death, some who had shared his life briefly in a troubled land may now walk with him as he walks beside a living God looking down on a proud country.

MRS. EDWARD J. ANDERSON.

BAY CITY, TEX.

AMERICAN ACHIEVEMENTS AT INTERNATIONAL AEROSPACE EXPOSITION

Mr. CHARLES H. WILSON. 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 California?

There was no objection.

Mr. CHARLES H. WILSON. Mr. Speaker, I was privileged last week to be a member of the congressional delegation assigned to attend the Paris Air Show. In this important event in which all the major countries involved in aerospace industry were represented the United States of America should indeed be proud of our presentations. I am particularly pleased to report that the State of California and more specifically the Los Angeles area and the 31st Congressional District which I represent were outstanding in the products and displays presented. I hope to discuss more thoroughly the individual participation of the many California companies on the floor of the House during the next few days. I feel all of the Members would be pleased to be informed on these matters.

As I approached Le Bourget Airport in Paris' autorante, the first awe-inspiring sight was the sleek X–15A–2 research plane suspended high above the pathway entering the U.S. pavilion. All visitors to the popular pavilion could not avoid noting the colossal progress made by air industry as they passed under the "Spirit of St. Louis" replica and the X–15 rocket plane built in my district by North American Aviation's Los Angeles division.

On entering the pavilion, I was enveloped by the eerie sounds of space satellite communications and the sight of a myriad of galaxies representing that beyond the fringes of our planet's 20th century realm.

In the pavilion I noted with pride the display of America's technology. One could trace the progress of our technical society from Lindbergh's flight in 1927 to the current flights by the 2,000-mile-per-hour XB–70 and the 5,000-mile-per-hour X–15. A look at the expectations of tomorrow's hypersonic vehicles and space travel assured each visitor that the United States was not faltering and had no intentions of slackening the pace of our present aerospace technology.

Climax of the pavilion visit was the Apollo spacecraft's command module. It was the same command module that had endured the fiery penetration of our atmosphere after the unmanned mission in February 1966. It was not a mockup. The actual spacecraft was there for all to see—complete with charred heatshield and painted image of our glorious flag. It served as vivid proof that America was not concealing her peaceful intentions in space. Astronauts Dave Scott and Mike Collins visited the display with the Russian cosmonauts. They invited the cosmonauts to crawl inside the spacecraft to satisfy their curiosity.

I arrived with the congressional group in the Douglas DC–8 stretched version, midweek of the show. It was bearing Eastern Airlines' colors and markings and represented the latest entry in our country's commercial airlines fleet. Later, parked underneath its wing stood another stretched airplane—the Sabreliner business jet series 60. This product of North American Aviation's Los Angeles division gained early attention at the Paris Air Show. A retired industrialist, Arthur Knapp, flying his recently purchased Sabreliner, set a new world's record from St. John's, Newfoundland, to Lisbon, Portugal. He bettered the previous record of the British-built fan jet Falcon by an impressive 24-minute margin.

During the last 2 days of the show, a multitude of flight demonstrations took place. I saw the OV–10A Bronco perform short takeoff and landings and very tight turns which demonstrated the maneuverability required for direct close-in support of combat field operations.

This versatile and rugged airplane is being built by North American Aviation, Inc., for the U.S. Marines and Air Force and would be a welcome addition to the forces fighting in Vietnam today. Considerable interest in this airplane has been expressed by many other countries and its potential use in the air forces of the developing nations should be fully recognized and exported.

Our country's grand finale was the outstanding aerial demonstration by the U.S. Air Force Thunderbirds in their colorful F–100 Super Sabres—another product of the California-based North American Aviation, Inc.

On visiting the various chalets, I found an audiovisual presentation geared for the serious-minded businessman, politician, layman, or engineer. Produced by North American Aviation, I must describe it as an experience rather than presentation. The North American Aviation people had synchronized a series of slides, films, and spotlighted panels containing sealed models of products presented in French and English versions alternately, the 14-minute presentation drew great praise from American and foreign dignitaries—both military and civilian. It truly represented our Department of Commerce message by depicting and predicting the many benefits made available and accruing to mankind through NASA's technology utilization program, and the aerospace industry in general.

Every American visitor to the Paris Air Show could feel justly proud of the many displays and flight demonstrations. I am especially proud of the contributions to the progress of our aerospace technology by southern California industry which was so dramatically displayed to the world once again.

THE MIDDLE EAST CRISIS

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 is quite clear from the dispatches that the war in the Middle East is all but over. It is a misfortune that this war had to be fought. The major powers have no reason to be proud of the role they played in its unfolding. The power of the United Nations proved farcical. The Russians continued to make trouble until they saw that, beyond doubt, they were attached to the losing side. I fear that our own role was indecisive, until President Johnson held tenaciously to the policy that any cease-fire could not be accompanied by a return to positions held prior to the commencement of military action. It is only because of his steadfastness, that unanimous consent was obtained to an unconditional cease-fire. Israel has won a big victory, of which it is justifiably proud. This was a victory unwanted by the victor, and a defeat which the politics and self-esteem of the defeated make peculiarly difficult to swallow. I think we on this floor of Congress are all glad that the war has ended as it has, but I think that none of us deludes ourselves with the belief that the Middle East will be inherently more stable as a consequence of it.

Now it is time for the responsible powers of this world to stand up and perform their duties. The time for abdication is past. Without a decisive assertion of law by the major powers, this war will have been just another exercise that will lead only to another war, the outcome of which will be far less felicitous. Let us consider ourselves lucky that in the desert war of 1967 a confrontation between the nuclear powers was avoided. We may not be so fortunate again.

We Americans are now presented with a great and challenging opportunity for enlightened diplomacy. We have before us the chance to act to forestall further conflict in this area for the foreseeable future. We must seize this occasion, for it may never present itself again.

It seems obvious, at least for this moment, that the Russians have called a truce in the cold war in the Middle East. This is not something they have done willingly but that scarcely matters. They suffered a grievous diplomatic defeat, while the nations they supported were being beaten on the battlefield. They are no longer able to strut and swagger, just as Colonel Nasser must now behave with considerably more modesty. The Russians are not in a position to bargain from strength to continue to make trouble as they have in the past. They can no longer defend the indefensible or inflate the uninflatable. Their role in the Middle East must now take on a totally different tone.

I think it is vital, Mr. Speaker—and I cannot emphasize too strongly the word vital—that the United States and the Soviet Union make themselves direct parties in guaranteeing the peace that emerges from the current debacle in the Middle East. The time for vague promises, uncertain understanding and tacit agreements is over. What emerges from this war is the clear need for a peace treaty; one that is fair to Arabs and Jews in the Middle East, and equally important, one that is guaranteed in black and white and on the dotted line by the world's super powers.

Let me say that by lending themselves directly to a new peace treaty, the United States and the Soviet Union have the opportunity to influence its content. They can see that the rights of both victor and vanquished are protected. And they can also make certain that the Arab countries are no longer in a position to nourish the prospect of wiping Israel out. They can help write a treaty that is wise and without vindictiveness. The United States and Russia must make sure that the peace treaty is an honorable one for all concerned; then they must guarantee their power as the chief instrument of its enforcement.

Mr. Speaker, I can foresee much good coming from such an arrangement. The most immediate benefit will be an end to the absurd arms race in the Middle East. That arms race brought us to the present pass, and threatened to involve the entire world in its clutches. The two super powers can see to it that this never again happens.

Equally important, a peace treaty to which all parties in the Middle East agree will be a liberating force. It will, of course, liberate Israel from the constant threat of attack. But it will also liberate the Arab countries of the temptations and distractions of war. I would hope that a just peace treaty will liberate Arab energies for the construction of a more just society in the Arab lands. Thus the Arab countries may reap unforeseen benefits from the events of the last few days. History has given us few examples of such paradoxes. I would hope that this war is a prelude to peace, a peace to which all parties in the Middle East consent and from which they will all prosper. But only if the great powers behave in a fashion incumbent upon them and upon the grave responsibilities that they possess will this happen. I hope I am not being unduly optimistic.

PRESIDENT JOHNSON PROVEN RIGHT IN MIDDLE EAST SITUATION

Mr. PUCINSKI. 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 Illinois?

There was no objection.

Mr. PUCINSKI. Mr. Speaker, I am sure freedom-loving people all over the world will agree that President Johnson has written a new chapter in profiles in courage by tenaciously holding fast to his view that the way to resolve the problem in the Middle East is through the United Nations.

I think all of us offer our prayers of thanks today that the President has been proven right, and that a cease-fire order has been voted by the United Nations Security Council.

Last Friday I was among those who warned that if the Security Council failed to find a solution to this problem, then the whole United Nations was threatened with extinction. I am happy today to be able to say that the United Nations has given new hope for mankind throughout the world in the action it took yesterday.

It is my hope that the United Nations Security Council will now address itself with the same vigor to the problems in Vietnam, and bring a cease-fire and understanding in that troubled part of the world, so that mankind can address itself to the great problems of the future.

The Security Council's action yesterday, however, is only the first step, as President Johnson has quite properly stated. Certainly it is my hope that this Congress, this House, and this Nation will stand behind the President in demanding that if the Arab States do not acquiesce in the cease-fire, that a U.N. peacekeeping force be dispatched, a multination U.N. peacekeeping force, be dispatched to this troubled area so that the cease-fire order can become effective, and so they then can address themselves to the longstanding historic problems.

I think one of the most important things we must be sure of is that the cease-fire order does not again rob Israel of the gains she has won on the hard-fought fields of battle.

Mr. Speaker, it seems to me that we are now on the verge of an era when we can solve the problems in the Middle East, and this again can lead to solving the problems in Vietnam.

We are deeply concerned that the Soviet delegate is behaving as if he has second thoughts on the agreement for a cease-fire reached yesterday, but I am hopeful that reason will prevail and that the cease-fire will indeed become fully effective.

There are great problems still ahead but the first step has been taken, and for this we can all be grateful. Israel's integrity and sovereignty must be preserved. If the Arabs are wise, they will now accept Israel's noble offer to work together toward a solution of problems which have plagued the Middle East for centuries.

I think today we can look to the future with a great deal more confidence because the President of the United States has shown us the way, and has led us in a manner that can bring peace instead of escalation of hostilities, not only to the Middle East, but to Vietnam as well.

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

THE SITUATION IN THE MIDDLE EAST

Mr. SIKES. 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 Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, the astonishing Israel forces are close to victory.

That nation's military campaign to date has been flawless. It is significant that the Israel forces are well on their way to a solution of all the points of contention which so long have existed between Israel and the Arab nations. They should soon find themselves fully in control of the territory west of the Jordan and of the Sinai Peninsula. I would suggest that the Israelis simply annex both areas and eliminate future problems. They would then control, essentially, the Jewish homeland and they, and the Western World, would have access to the Suez Canal and to the Gulf of Aqaba. The Western Powers should welcome this solution with its promise of longtime peace.

What is particularly significant is the ability of the Israelis to take care of themselves militarily. The Arab nations have more men, more planes, and more weapons, but the Israelis are well armed, better trained, and they have a fierce zeal for their homeland which is matched by few peoples in the world. They stand as an example to many other nations which are getting soft and fat and careless.

The U.N. resolution calling for a cease-fire comes too late. All it does is point up the ineffectiveness of the organization. It was a U.N. blunder which helped set the stage for war in the Middle East. The U.N. resolution will not be effective until the war has substantially run its course. Then it will not be needed. Future arguments there could hardly be expected to improve the situation which actually exists.

In 1967, as in 1956, there is an opportunity in the Middle East to settle once and for all the problem of boundaries and of access to navigable water. The Israelis are well on their way to achieving this. Let us hope that our well-intentioned efforts in the U.N. do not serve simply to muddy the water. Had we and our allies kept hands off in 1956, the situation could have been solved permanently at that time.

FOCUS ON CONSERVATION

Mr. LANDRUM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include an editorial from the May 1967 issue of Soil Conservation magazine, by Harold Jenkins, entitled "Focus on Conservation."

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

There was no objection.

Mr. LANDRUM. Mr. Speaker, the editorial to which I refer is as follows:

FOCUS ON CONSERVATION

Conservation has become increasingly competitive.

It is competitive as to meaning.

It is competitive as to function.

It is competitive within government.

It is competitive outside government.

It means many different things to many different people.

It *is* many things to many different people.

Modify "conservation" by "natural resources" and you eliminate frill types of conservation employed by Madison Avenue—gasoline and tire mileage, armchair TV tuning, erasing washday blues, and the like.

Modify "conservation" by "renewable natural resources" and you eliminate another kind of conservation—that pertaining to coal, minerals, gas, oil, and similar resources.

"Renewable natural resources" include soil, water, trees, grasses and other plants, and wildlife.

Most of these basic resources are in the ownership and under the care of private citizens. About three-fourths of the area of our 48 mainland States is privately owned.

The conservation practiced on these lands makes it possible for all citizens to ultimately enjoy their own particular form of conservation.

Far too few of us realize that the principal guardian of our heritage of forests, soil, water, trees, grass, and wildlife is not the Federal Government, or the State conservation departments, but the millions of individual landowners throughout the Nation.

The Federal and State conservation agencies can counsel and assist the private owners, but the responsibility and the initiative are theirs. Their collective response is the reality of conservation.

In the Federal establishment, it is the Department of Agriculture that provides the conservation assistance available to the owners and managers of the three-fourths of our land that is in private ownership. The Soil Conservation Service is the principal technical agency charged with this responsibility. The 3,000 soil and water conservation districts that blanket the land coordinate and direct these conservation efforts in the public interest.

How little this is understood!

For within the realm of "renewable natural resources" are many highly specialized interest groups.

Those interested mainly in flowers or birds.

Those interested mainly in hunting and fishing.

Those interested mainly in swimming or boating or hiking, or nature study, or picnicking, or the like.

Those interested mainly in preserving wilderness areas and wild rivers.

Those who oppose all other "conservation" activities such as major reservoirs or highways or public parks that they think would harm their main interest.

Conservation is all these things and more.

It is a diverse and complex subject. It is little understood in its broad totality because it has so many adherents who see it from so many different viewpoints and view it in so many different lights.

But conservation has a common denominator. Underlying conservation in all its varieties and forms—and upon which all kinds of conservation depend completely—is the land itself and its soil and its water and its plants.

From these basics spring all forms of conservation. Without them conservation by any definition has no form or substance. Without them conservation is only a meaningless word.

Conservation begins with soil, water, and plants. They are the base.

These basic resources form the common bond joining the varied interests of all resource users, whatever may be their specialized definition of what conservation means.

Upon this base is built a policy of cooperation between the U.S. Department of Agriculture and the owners and operators of three-fourths of the American land—a policy that recognizes the legitimate ends of resource use for the benefit both of the individual and of the larger society.—H. J.

REQUEST FOR INVESTIGATION OF M-16 RIFLE

Mr. LONG of Maryland. 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 Maryland?

There was no objection.

Mr. LONG of Maryland. Mr. Speaker, today I received a letter from a career officer fighting in Vietnam who charges that the M-16 rifle "is both worthless and dangerous as a soldier's primary shoulder weapon."

The tendency towards jamming unless kept impeccably clean is sheer folly in an infantryman's rifle.

Claims this officer, an Academy graduate who writes me that he must remain "unfortunately anonymous."

The officer charges that the M-16 cannot withstand ordinary fighting conditions in Vietnam and that it is inferior to the Communist weapon.

He writes and I quote:

The only personnel who honestly have no difficulties with the M-16 are officers who carry it but never fire it, and the soldiers who fire it from fixed positions, usually with overhead cover to protect both themselves and their weapons from the harsh Vietnam elements.

I have talked with many an infantryman just in from a search and destroy mission who felt that his enemy had a much better weapon in the Soviet or Red Chinese AK-47. It simply boils down to the fact that the 30-round AK can come up out of a muddy rice paddy firing while the 20-round M-16 should not even be allowed to get dusty.

My correspondent has entrusted his life to a supposedly less modern weapon, rather than use the M-16. He says:

I long ago exchanged my M-16 for an old M-2 carbine. It may not have the impressive statistics of the newer rifle (rate of fire, muzzle velocity, etc.), but it *always* shoots. And do you know that it is probably the only rifle we have ever made with a 30-round magazine? (There are supposed to be 30-round M-16 magazines available, but I have never seen any over here in Vietnam—typical).

The AK-47 [that is, the Communist rifle] is a superb weapon and I dare say it costs but a small fraction of what the M-16 does. It may not make as big a hole as the latter rifle, but it is guaranteed to make one hell of a lot of smaller holes. I would take that guarantee over what the M-16 offers any day . . . and especially when *my* life is hanging in the balance.

The officer in Vietnam regrets that because of the rank of those endorsing the M-16, and I quote:

The olive drab cards are already stacked to back these "experts" up. With declarations such as this [my correspondent referred to General Walt] the reputation of the man supersedes the value of the subject at issue. Therefore, an objective comparison of the AK and the M-16 will not be done if it is entirely conducted by the uniformed services.

The officer suggests a method whereby an impartial and independent test might be made.

What should be done—

He writes—

is to take two crates—one containing brand-new M-16s, the other brand new AK-47s (the latter are available, incidentally), and then pick the weapons to be tested at random. These weapons would be cleaned, oiled,

loaded, and fired . . . then progressively abuse both weapons (water, dust, dirt into the receiver, submerge in muddy water, etc.) and see which weapon best provides the foot soldier with what he really needs . . . *reliable* firepower. Testing infantry weapons only under ideal conditions (which no doubt has been the situation with the M–16) is farcical.

This might redden some important faces, but much more important to most of us is that it will save some lives.

Mr. Speaker, the New York Times today quoted a Pentagon description of the M–16 rifle as it was designated a standard service weapon:

Lightweight, fast-firing, rugged and hard-hitting," the Pentagon claims of the M–16, "it has demonstrated its versatility and effectiveness in combat.

It seems to me that its effectiveness in combat is far from a proven fact.

This is the second letter I have received from Vietnam in as many weeks expressing serious reservations about the rifle. I urge the Pentagon, and this Congress, to conduct as complete and impartial an investigation of the M–16 as is humanly possible. As my correspondent so forcefully reiterates—American lives are at stake.

THE MIDDLE EAST

Mr. REID of New York. 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. REID of New York. Mr. Speaker, the unanimous cease-fire resolution of the Security Council is to be welcomed. But it is only a first step. The mistakes and failures of implementation, of and since 1957, must not be repeated, and no withdrawal should occur without completely new conditions of stability and peace obtaining.

Most important is whether the states in the area will now move forward to peace and resolutely away from war.

Israel cannot be expected to go back to a status quo ante—where there was no peace—and where belligerency was proclaimed as a matter of right by the United Arab Republic.

Lest we forget, Israel believed her withdrawal of forces in 1957 was based on acceptance of four major assumptions reinforced by recognized principles of international law:

First, the Suez Canal would remain open to Israel ships and cargo;

Second, the Strait of Tiran and the Gulf of Aqaba would comprehend international waters with rights of free and innocent passage guaranteed to all nations;

Third, the Gaza strip would not be under United Arab Republic administration;

Fourth, efforts would be made to move toward relationships of peace and detente.

In fact, the past 10 years have seen these concepts violated and the right of belligerency proclaimed and implemented.

For the future—and given a cease-fire in place—Israel has the right to expect from the community of nations a new era—completely new relationships of stability and peace; an end to belligerency contrary to the Charter of the United Nations; and free and open transit in the Gulf of Aqaba and the Suez Canal.

As Israeli Foreign Minister Abba Eban eloquently stated the case before the Security Council last night, acceptance of Israel's statehood and rejection of the fiction of nonexistence; direct contacts between the parties as part of pacific settlement; and recognition by external powers of broad principles such as peaceful commerce as opposed to belligerency—these are basic starting points.

The United Nations should seek to get the parties together—and work for an enduring and substantive peace—that will not again be shattered in 10 years—but hopefully will last for 10 generations.

THE LIGHT AT THE END OF THE ROAD

Mr. HALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an address and an editorial.

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

There was no objection.

Mr. HALL. Mr. Speaker, one of the most notable events in American journalism each year is the series of awards by the University of Missouri for outstanding achievement.

This year the honor award recipients included a number of individuals and institutions of special distinction in both Missouri and other States. I was happy that one of them was the St. Louis Globe-Democrat, which was selected for the distinguished service in journalism award.

The Globe-Democrat is the State's oldest daily of continuous publication, and it was fitting that it should be honored, as the citation declared, for "its resurgence as a newspaper voice in its community's affairs and its unrelenting assault upon the blight of civil disorder, crime and stagnancy of purpose, with the goal of revitalizing the city's pride in its heritage."

At the recent ceremony at Columbia, Mo., the Globe-Democrat publisher, Richard H. Amberg, gave an address entitled "The Light at the End of the Road" which was of such importance in defining the role of the newspaper in today's troubled world that I believe it should be made widely available. He is indeed a great soldier, citizen, and journalist.

An article from the Globe-Democrat reporting on the 1967 award winners and the address by Mr. Amberg follow:

THE LIGHT AT THE END OF THE ROAD

(An address by Richard H. Amberg, publisher of the St. Louis Globe-Democrat)

It is a wonderful thing the University of Missouri does in honoring journalism and journalists, and The Globe-Democrat is tremendously proud to be one selected for the honor.

This distinction is doubly appreciated because of the vast amount of criticism which any newspaper inevitably receives, and most especially a crusading paper such as ours. You can't make an omlette without breaking eggs, and you can't do a job for the people without occasionally and *not* unintentionally stepping on a lot of toes.

I am strengthened by the thought that the press has always been subject to criticism—even from biblical times. I refer you specifically to the gospel according to St. Luke, Chapter 19, verses 1–3 which says: "And Jesus entered and passed through Jericho. And, behold, there was a man named Zacchaeus, which was the chief among the publicans, and he was rich. And he sought to see Jesus who he was; and could not for the press."

The Globe-Democrat has had a long and glorious history. Founded in 1852, we were the first paper in the United States to come out for Abraham Lincoln for President; even before the Lincoln-Douglas debates in 1858. After Mr. Lincoln's nomination in 1860, we campaigned effectively for him. President Lincoln later said that The Globe-Democrat was worth more than a division of troops in keeping Missouri in the Union.

In those days John Hay, who became Lincoln's secretary and much later Secretary of State, was a stringer for The Globe-Democrat in Springfield, Illinois.

The Globe-Democrat (it was The Missouri-Democrat in those days) was the first paper of national importance to call for the nomination of Andrew Johnson (a too much maligned and under-rated man) for Vice President under Lincoln in 1864, and we were generally credited at the time for his winning the nomination.

During the Civil War The Globe-Democrat was among the first papers in the country to have a war correspondent on its staff—long before Richard Harding Davis won fame in Cuba in this role.

The Globe's history was often brilliant and always honorable. My predecessor, E. Lansing Ray, was one of the sponsors of Lindbergh's flight forty years ago. But I like to think that The Globe-Democrat entered upon its greatest days when Samuel Newhouse purchased it in 1955.

I want to talk to you this evening about two facets of the newspaper business which are of enormous importance: crusading and the play of the news. The editorial page and its extension into other parts of the paper in the form of editorial crusades is the heart and soul and mind of a newspaper.

The editorial page gives spirit to the entire paper. A newspaper can no more rise above its editorial page than the human body can rise above the capabilities of the human heart and brain.

In the St. Louis area in the last dozen years there has been a fertile field for crusading because so much needs to be done. St. Louis is like the traditional bride's cake where she uses the best milk, butter, eggs and flour—yet the cake somehow doesn't rise.

St. Louis has everything which should make for huge success. We have unlimited water power, unexcelled transportation, a pleasant climate—in spite of last year's All-Star football game—a diversified and well balanced labor force, a wonderful location for air, railroad, truck and barge transportation, excellent electric and other utility facilities—and yet somehow we have been losing population and industrial strength relative to the national growth pattern.

Most of our crusades have stemmed from the general inquiry into finding answers to this all-pervading question.

We believe that one union is at the root of much of the featherbedding and intolerable labor practices of our area—and that if we can civilize them, much of the rest will fall into place. Certainly they epitomize the problems of St. Louis.

This union, Steamfitters Local #562, is an organization of only about 1100 members but of enormous importance. They have been

our chief target in the past two years. They have the community by the scruff of the neck and are absolutely controlled, more than any other I have ever known, by the union leadership under an ex-convict named Lawrence Callanan and his henchmen. They keep the membership in a strait-jacket because they have a rigid hiring hall policy where no one can work except by tolerance of the union's leaders.

They have the employer in exactly the same vise because he cannot even hire his own foreman, much less his workers. As a result, unless he rolls over and plays dead, he finds that he has nothing but the lame, the halt and the blind as a foreman and as workers. You have never seen anything until you have seen a lame, halt and blind steamfitter.

Additionally, the steamfitters have a lug of a dollar a day on every member and $2.00 a day on every permit man. It's voluntary to the extent that you voluntarily pay it or you don't work. This lug produces almost $600,000 a year without a penny of accountability. This, of course, enables the steamfitters to make massive political contributions, which they have done in recent years—some contributions to individual candidates being well up in six figures, reading left from the decimal point. They had sufficient political muscle to get a Presidential commutation for Callanan which enabled him to return to union control. This kind of influence obviously is not in the public interest, whether it is wielded by the steamfitters or outstanding families, individuals or corporations.

I wish that I could tell you that we had cut these rascals down to size. We have not yet, but we will. One steamfitter has already been indicted and half a dozen others are under the most intense scrutiny. The income tax people have moved in, as well as the Department of Justice, the F.B.I. and several grand juries. Several Senators, though none from Missouri, have them in mind for future attention. I think additional will be forthcoming and all of this is because of The Globe-Democrat and The Globe-Democrat alone, the other St. Louis newspaper being content with rapidly re-writing our stories.

Perhaps one indication of eventual success is the fact that half a dozen steamfitter candidates for the legislature, all running in areas generally heavily Democratic by as much as four or five or six to one, were defeated by Republicans last November—and the entire Democratic slate of Circuit Court Judges in St. Louis County was defeated by Republicans because three of the Democrats were tainted with steamfitter associations. This is pretty meaningful crusading, and I would like to believe that it exemplifies the qualities inherent in today's award.

In the past dozen years we have had a great many other campaigns, many of which have brought success. One of our campaigns some years ago entitled "What's Wrecking the Railroads?" was the first series of articles in the country to focus attention on the frightful featherbedding in the railroad industry. As a result of this series and my open letter to President Eisenhower, a Presidential commission was appointed to look into the matter, the successor to which under President Kennedy gave the first antifeatherbedding award against railroad firemen.

Even more important than this, our series gave the railroads guts enough to stand up and fight for themselves for the first time in modern history. Much of the recent progress in the railroad industry, in the opinion of qualified observers, stems from this series—although we have won about as few popularity awards from the railroad firemen featherbedders as we have from the steamfitters!

Another series of articles, "Tank Town on the Airlines", resulted in enormously better airline service for St. Louis. The Globe-Democrat was the only organization willing to fight for better airline service, since the Chamber of Commerce was then dominated by railroad interests.

It may seem like a small thing, but a dozen years ago, as those of you who drive in St. Louis will recall, there was scarcely a single signalized intersection in the city where the motorist could make a left turn on an arrow and none on a green light, and there were thousands of useless stop signs. Today, left turns are permitted at virtually every intersection in the city—either on arrow or on a green light, and hundreds of stop signs have been removed. Traffic which has strangled our city now flows far more freely.

Missouri was one of eight states where the people's funds did not draw interest in the banks. After a penetrating series of articles and editorials, we persuaded the Governor to submit a message to a special session of the legislature for a constitutional amendment, and for the past 9 years the taxpayers have been enriched by more than 25 million dollars from interest on their funds which had previously been a special sop to the banks, one of whom reported at the time that the state's deposits, for which he had paid not a penny, were worth over $300,000 annually to his bank.

Another editorial crusade against a highly restrictive building code resulted in the code being amended, with the result that building in downtown St. Louis, which had languished terribly without a single building having been built in the past thirty years, has now—with the amendment of the code to permit modern practices—erupted in a tremendous building boom which would not have been possible before.

The Globe-Democrat and The Globe-Democrat alone campaigned almost twelve years ago for the Riverfront Memorial which had lain dormant for almost thirty years, and brought the project back to life. As a result of our series—implemented by Senator Symington, Congressman Cannon and Congressman Curtis—we now have the beautiful Gateway Arch and revival of our downtown riverfront.

There are but a few specifics of the past dozen years. To them might be added literally dozens of crusades for individual highway safety, for mental health, and the like, and strong and active support for measures for air pollution, clean water, etc., to the last of which the other paper in St. Louis added its voice to ours. Most importantly, there never is any doubt which side of the street we are working. We have tried to make the middle of the road exciting and have been a strong and dedicatedly pro-American voice in an area where the forces of timidity, doubt and retreat have too long held sway.

I cite these examples to illustrate, by our actions, the tremendous importance of editorial crusades.

I scorn the timid editor who screams implications at Jimmy Hoffa a thousand miles away but will not take out after the very great abuses on his very own doorstep.

A paper which is four-square against sin in Afghanistan but winks at sin in its own backyard really isn't kidding the people very much.

It takes a lot of courage to fight the bad guys like the steamfitters. In many ways, however, it takes even more courage to fight the good guys when you feel they have been wrong, as for example the bankers on interest on idle funds in the banks, and our thus far unsuccessful campaign to drag Missouri and Illinois into the 20th century by enacting branch banking in these states.

It is much more difficult to be against someone when you know him very well and when they may belong to your club or lodge. The same thing is true when one must necessarily take a stand against a candidate for public office in your own town. But it has to be done and if newspapers are worth their salt they have to do it. I suggest to you far more newspapers than have been doing it must turn to this in future years.

In the newspaper business there are two schools of thought—the thermometer and the thermostat. The thermometer merely tells you what the temperature is; the thermostat not only tells you what the temperature is but does something about it. I am proud that The Globe-Democrat is of the thermostat school and I hope and pray that our number increases.

Perhaps we are fortunate in St. Louis in having two competing newspapers which certainly makes for competition. It is easier to run against a live opponent than to chase the mechanical rabbit of your own conscience if you live in a single ownership community, although even in these there is generally more than enough competition in TV, radio and other media.

Crusading is important, however, not only for itself because it helps lead our communities up to higher ground, but it is important because it is the one area in which we can remain entirely non-competitive. We cannot compete with the speed of radio or the entertainment of TV or even with the high fidelity reproduction printing and in-depth reporting of national magazines.

The one place we can and must be strong is in leading in our community, state and nation. Here and here alone we have as close to a monopoly on virtue as we can ever hope to have.

Crusading in the public interest is indeed the exemplification of Theodore Roosevelt's view that "fighting for the right is the noblest sport the world affords". A newspaper is pretty weak tea without it.

The second thing I want to talk about pertains to the treatment of news. Webster defines news as "Something strange or newly happened: a report of a recent event: new information: fresh tidings."

With this as a guideline, we obviously have to publish in our papers unusual events and happenings that are newsworthy. This leads us unwittingly into a kind of negativism where we play up the negative and in entirely too many cases the bad part of our national life.

Perhaps this is in the nature of our business, but it seems regrettable to me that a couple who live in wedded harmony for 50 years may get only a paragraph or two on their Golden Anniversary, but if a man takes after his wife with a meat cleaver, he makes the headlines.

By the same token, safe driving is never mentioned, whereas if you wrap your car around a tree you are in the news. The good in our civic life almost has to be researched and sought out to appear in our newspapers, whereas the bad is featured all the time.

Many of the off-beats and oddballs of our society are really creatures of the press' own creating. I know that we must print the news, but somewhere it seems to me we have to find a better formula. Let me give you a few examples.

Last week, General Westmoreland, a perfectly wonderful man who commands almost a half-million of the cream of American manhood in Southeast Asia, gave a splendid speech to the Associated Press in New York. Outside, a handful of bearded bums and beatniks paraded, yet they had almost equal billing with General Westmoreland in many newspapers and on television.

The same thing is true of the pictures of the draft card burners and alleged atrocities in Vietnam which somehow seem to appear far more often in the dove newspapers than those of us who support our war for liberty and freedom in Vietnam.

The other paper in St. Louis, which has found very little to praise in America in recent years, had on the front page this week a picture of a man in Sweden stamping on the American flag. They also had a front

page story reporting the hideous mockery of a trial held by a senile old fool in Stockholm. Surely the detestation of America thus powerfully featured does not reflect the feeling of overwhelming numbers of people in Sweden or anywhere else in the free world.

Aren't we really, perhaps in an effort to balance the news and to give both sides of a story, weighing a mountain and a mouse.

The old adage about horse and rabbit stew—one horse and one rabbit—is being terribly abused these days.

A while ago we had one of our thankfully few racial incidents in St. Louis when a handful of no more than twelve to eighteen members of CORE demonstrated against one of our banks. The situation was so bad that I simply could not believe the stories that our photographers and reporters told me, and I went out to watch the demonstrations myself.

When no newspaperman, photographer or cameraman was visible, the demonstrators laughed and joked with the police, but as soon as a photographer or reporter appeared, they threw themselves into wild gyrations, put their faces half an inch away from the police and screamed unbelievable obscenities at them and disported themselves like crazy people—all for the benefit of the news media who dutifully played it up on some front pages and television screens.

Still on the subject of racial violence, the press pays very little attention to the overwhelming majority of good citizens of the Negro race, but gives acres of space to such wild men as Stokley Carmichael and Floyd McKissick who, according to the best figures available, are actually generals without an army in that they have relatively few followers and very little respect from anyone but suspiciously large sums of money with which to incite riots and rebellions.

I do not intend to say that if we ignore these people, they will go away, for many of them have a legitimate complaint against society. I do protest, however, playing them out of all importance to their position and influence. Are not they really the creatures of the news media and have not we made them what they are?

The same thing might be true of an adulterous actress whose every movement is faithfully reported, while the marital fidelities—I suppose there must be some—of good people in the entertainment world go unnoticed.

In another connection, one disgruntled stockholder, perhaps for reasons of personal publicity or in the hope of provoking a nuisance value, brings suit against a large corporation. To what extent are we obligated to play this up when we say nothing about the tens of thousands of satisfied stockholders of the same corporation?

Certainly, we cannot ignore a riot in Harlem but somewhere, it seems to me, the newspapers have the obligation to bring the matters of dissent into far better perspective than we have been doing in recent years. Our failure to play the news properly and to put things into reasonable balance is a disservice to our readers and, far more importantly, a disservice in a very deep sense to the nation we love.

In our paper we make a conscious effort to play up the good news in our community, particularly in matters concerning the Negro where there is so much bad news, and in matters of self-help and courage and self-reliance, to offset the devastating effects of the current obsession of the Administration for poverty, real or imagined, in all phases.

I am not at all sure that we do this even as well as we should, although it is the very rare feature story which can ever capture the excitement of current news.

One of the great tasks of newspapers, it seems to me, with our great resources of mind and spirit and the vast news gathering services which are available to us—equated with the judgment of our editors—is to place the news in its proper perspective and to be a balance wheel in a disturbed world.

Newspapers have come a long way since the classic John Peter Zenger trial in 1733. The Globe-Democrat too, has come a long way since its turbulent, brawling days when it fought slavery in a slave-holding state in the 1850's and kept Missouri in the Union in the 1860's. The newspaper business is one which brings pride to all of us who have made it our life work, and I have no hesitancy in commending it to my sons.

I am not one of those who feels that newspapers are entering into the evening of their service. Quite to the contrary, I think there is great light at the end of the road. This light, in my opinion, takes the form of crusading for the public interest and of being a stabilizing force for good in a world tortured by dissent and civil strife.

Newspapers have had a great role to play throughout all of our nations' history in the past. We have an even greater one to play in the future.

[From the St. Louis (Mo.) Post-Dispatch, May 6, 1967]

GLOBE HONORED AT MISSOURI UNIVERSITY FOR NEWS, CIVIC INTEREST

(By Sue Ann Wood)

COLUMBIA, MO.—The St. Louis Globe-Democrat was honored here Friday by the University of Missouri for "its unrelenting assault upon the blight of civil disorder, crime and stagnancy of purpose, with the goal of revitalizing the city's pride in its heritage."

Richard H. Amberg, publisher, accepted the Honor Award for Distinguished Service in Journalism from Dean Earl F. English of the university School of Journalism in special ceremonies in the auditorium of Jay H. Neff Hall on the campus.

OTHER AWARDS

Other honor award recipients were:

Paul Miller, native Missourian who is president of the Associated Press as well as the Gannett Co. Inc. newspaper chain, with headquarters in Rochester, N.Y., where he is publisher of the Democrat and Chronicle and Times-Union.

Robert M. White II, editor and publisher, Mexico, Mo., Evening Ledger.

Marvin D. McQueen, an alumnus of the School of Journalism who is vice president of D'Arcy Advertising Co., St. Louis.

Die Welt, outstanding newspaper in the Federal Republic of Germany, with acceptance by Axel Springer, publisher.

Wckt-tv, Miami, Fla., honored for "its distinguished civic service," with acceptance by Sidney D. Ansin, president.

Mr. White, who is national president of Sigma Delta Chi, professional Journalism society, spoke at the ceremonies, a highlight of the 58th Journalism Week at the school.

The 1967 medalists then were honor guests of Chancellor and Mrs. John W. Schwada at at reception at the Chancellor's home on the campus and at the Journalism Banquet in Rothwell Gymnasium, at which Mr. Amberg and Mr. Miller were speakers.

BRONZE MEDALS

Dean English presented each of the award recipients with a bronze medal and citation. The citation to The Globe-Democrat hailed:

"Its 115 years of service to the St. Louis area and Missouri as the state's oldest daily of continuous publication;

"Its resurgence as a newspaper voice in its community's affairs, and its unrelenting assault upon the blight of civil disorder, crime and stagnancy of purpose, with the goal of revitalizing the city's pride in its heritage;

"Its militant editorials and news campaigns demanding new labor laws, new building codes, new freeways and schools, better housing, more industry, better local government and cultural improvements for the city and its people; and

"Its consistent practice of a newspaper's first function: to report the news forthrightly, and to provide constructive leadership for its public."

The citation to Mr. Miller praised his "sensitive leadership of the Associated Press" and his influence in building the wire service into "a news-gathering giant serving 8000 newspapers, radio and television stations in more than 100 countries."

Mr. White was cited for leadership in the newspaper field and "his reputation as a thoughtful and articulate journalist, earned with his own newspaper at the grassroots level and with newspapers in Chicago and New York at the metropolitan level."

Mr. McQueen's "distinguished advertising career" was recognized in his citation, which also praised "his devotion to his alma mater, manifest in his leadership of the Journalism Alumni Association and of the Alumni Association of the University of Missouri."

The newspaper Die Welt was cited for "its concern for national and international stability and confidence, and its determination, under the leadership of its publisher, Axel Springer, to break down walls of ignorance, prejudice and fear that divide the Germans into two nations and the rest of the world into many hostile camps."

Mr. Springer spoke at a Journalism Week program Thursday night.

The Miami television station received a citation for "influence and impact in its community through superior news reporting, hard-hitting documentaries and courageous editorials" and for "dedicated efforts to reduce juvenile delinquency and other forms of anti-social activities in the Greater Miami area."

SERIOUS THREAT

Mr. White in his address warned that the American Bar Association "now poses a serious threat to a vital area of the people's right to know."

He said the Reardon Committee of the Bar is seeking greater secrecy in arrests and trial. Some persons do not realize the value of their right to know, he said, because the media have failed to make it clear.

"The reason for our being is accuracy and truth," Mr. White asserted. "Only by serving the truth can we keep the faith and walk the hard and hazardous course that is our line of duty."

MEAT IMPORT LEGISLATION

Mr. PICKLE. 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 Texas?

There was no objection.

Mr. PICKLE. Mr. Speaker, I am introducing legislation today which will further control the import of foreign meats in order to protect the Nation's farmers and ranchers who might otherwise be slowly choked to death by the vast quantity of low-cost foreign meat coming into the country.

Despite the restrictions made by the Meat Import Act of 1964, Public Law 88-482, today's ranchers suffer the lowest prices in many years, and without bold new steps in the field, the outlook for the future is not at all bright.

Over the past year and a half, the price of cattle has declined sharply. Last week, a slight increase was seen when the Department of Agriculture made their mid-May announcements. But even

those figures show that the prices are not up to what they were a year ago. Beef cattle averaged $22.20 per hundredweight in mid-May, up from $21.60 in mid-April. But in April of 1966, the price was $23 per hundred. The current level does not even match the price of a year ago, much less reflect the normal growth rate which could have been expected.

The losses shown in these figures focus even more sharply when considered in light of the fact that the cost of production and living supplies purchased by farmers rose one-third of 1 percent in the month of April, to hit a new high, now 3 percent above a year ago. Prices remain lower than last year; costs continue to rise.

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.

As to other meats, average hog prices were $21.70 per hundred in mid-May, compared with $17 in mid-April, and $22.30 in May 1966.

In brief, these figures reveal that the farmers and ranchers of the Nation have not enjoyed the normal growth experienced by the rest of the economy. Indeed, they have suffered serious setbacks.

In the light of several years' experience, some weaknesses have revealed themselves in the Meat Import Act of 1964. In addition to using a base period including an abnormally high year for imports, Public Law 88-482 contained two provisions which virtually assured a high level of imports. First, it provided for a too-generous quota increase based on the growth of domestic marketings. Second, projected imports were allowed to exceed quotas by 10 percent before such restrictions could become operative.

The bill I am introducing today is designed to relieve the problems of imports faced by the cattle raisers and livestock producers.

Briefly, my bill makes mandatory restrictions on the levels of import of fresh, chilled, and frozen beef, goat, and sheep, as well as on other categories of pork and processed meats. It differs from many similar bills now pending before the Congress in that most of those bills leave the import levels of pork and prepared meats to the President's discretion, while my bill creates a similar kind of mandatory limitation for import of all the abovementioned categories of meats.

Under my bill, the President does have the power to adjust the import quotas when required to preserve the national security when domestic production is inadequate to meet the demand, and when subsequent trade agreements insure that the purpose of this act will be maintained.

When foreign meat imports stand as such a threat to all meat producers, I do not feel that only a certain class of producer should have import protection. It is for that reason that my bill extends the mandatory limitations to protect all of the meat producers of the country, whether they produce beef, pork, goat or mutton.

There are essentially six things my bill would do, and I would like to take this opportunity to outline them for you.

First. The bill would eliminate the 10-percent cushion which must now be used before mandatory import limitations take effect.

Second. The import levels, on which the limitations would take effect, would not have to be estimated by the Secretary of Agriculture. Rather, the limits would be keyed to the average imports expected in that year, and actually experienced in the preceding 2 calendar years.

Third. The bill would change the period on which the total quotas would be based. The bill uses the average of the 5-year period from 1958 to 1962. This would eliminate the highest year on record, 1963, and lower the base from the present 725 million pounds to 585.5 million pounds. As to prepared meats and sausages, the quota would utilize the same base period, 1958–62, and establish a limit of 348,887,000 pounds.

Fourth. The bill states that quotas be imposed quarterly, instead of annually. This move will "even out" the flow of imports during the year, and prevent seasonal surges.

Fifth. The bill provides mandatory restrictions on the importation of other products, such as canned and cured beef and pork. It would extend the restrictions to fresh, chilled, and frozen lamb and swine; sausages; and preserved and prepared beef, pork, and veal.

Sixth. The bill provides that foreign purchases by the Department of Defense will be included in the meat quotas established for the United States. Under the old procedure, foreign purchases by the Defense Department were not taken into account in setting quotas. Consequently, the American producers were again cut out of a potential market.

The present bill has the endorsement of most all of the stock producers in my district. I have received much correspondence on the subject. As to the mandatory restrictions on pork-processed meats, the Texas and Southwest Cattle Raisers Association have endorsed such moves. I think it is good to see that all of the producers have joined together in an effort to curb the influx of meats.

And I sincerely hope that under the leadership of the chairman of the Ways and Means Committee, who has introduced similar legislation, that this matter will receive quick consideration.

CARDINAL-DESIGNATE PATRICK ALOYSIUS O'BOYLE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. McCORMACK] may extend his 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. McCORMACK. Mr. Speaker, the action of Pope Paul VI in choosing to bestow the honor of the cardinalate upon Archbishop Patrick Aloysius O'Boyle has been universally recognized as a fitting recognition, both of the personal qualities and achievements of the new cardinal himself, and of the importance and influence of the city and archdiocese of Washington. Archbishop O'Boyle, in the excellent statement which he issued upon learning of his selection, turned, immediately after the declaration of his gratitude and loyalty to the Holy Father, Pope Paul VI, to the significance of this action as constituting a recognition of the community which he serves.

> The generous action of His Holiness—
>
> He proclaimed—
>
> is a deserved recognition of the increasing importance of our Nation's Capital in the affairs of the Church and of the world. In a very real sense this honor which has come to me is an expression of the Holy Father's gratitude, not only to the priests, religious and devoted laity of the Washington Archdiocese, but also to the many clergy and laymen of other faiths who have labored beside us in attacking the problems of racial and social injustice which are of common concern.

It was typical of Patrick Cardinal O'Boyle that he could see his personal elevation to one of the highest positions in the Catholic Church as a tribute to those around him, more than to himself. Through a long and strongly influential career, his success as a leader has consistently come from his evident concern, not with his own power or prestige, but with the achievement of needed results. Like Pope Paul, he combines a respect for the dignity of the office he happens to hold with a complete personal simplicity and humility. He has not sought leadership, but has achieved leadership by moving steadily, powerfully, and inexorably toward the elimination of evils in our society, and the achievement of social justice. Jovial and unpretentious in personal contact, the Cardinal O'Boyle can yet be formidable and decisive in public controversy, as witness his fierce attack, in 1962, on the sterilization of the medically indigent, particularly under government auspices, as in Fauquier County, Va.; and his denunciation, in a sermon in 1965, of proposed Government birth control programs as an "intrusion in the private rights of citizens."

The new Cardinal can look back upon a long career of steadily increasing responsibilities, and of solid and lasting accomplishments. His direction in life has been steady, though his goals have broadened and his powers developed through the years. His first assignment as a young curate at St. Columba's Church in New York, as director of the Catholic Guardians Society, an organization of institutions caring for dependent children in the New York Archdiocese, pointed the way in which young Father O'Boyle's career was to proceed. A practical and constructive concern for the helpless and disadvantaged, particularly for the orphans, the ill, the impoverished, and the victims of racial and religious discrimination, has marked Cardinal O'Boyle's life and character at all periods. Like Tennyson's Ulysses, he can say:

> I am a part of all that I have met.

As a boy of 10, delivering newspapers on both morning and evening routes in

order to help his mother support the family after his father's death, he learned to appreciate the importance of dissemination of the news; and it may well be that this understanding, born of experience, entered into his motivation when, as one of the fathers of the Vatican Council, Archbishop O'Boyle acted as one of the leaders in the move to set up the American bishops panel, to provide for better communication between the council and the press. Father O'Boyle, while serving in the archdiocese of New York, studied in the New York School of Social Service Work, and taught at Fordham University's School of Social Work; he gained an intimate acquaintance with the institutional care of poor children by serving as a director of three different homes for dependent children, one of them for Negroes, all at the same time. During this period, too, he became a member of the American Association of Social Workers and of the New York City Child Welfare Committee. He served the New York Catholic charities in various capacities, from assistant director of the children's division to executive director of Catholic charities of the archdiocese. During World War II, he was made director of War Relief Services—National Catholic Welfare Conference; and of his work in that post, the late Archbishop John T. McNicholas of Cincinnati, then chairman of the NCWC administrative board, said that it would "ever live in the annals of the history of our country and the world."

The rare combination of administrative efficiency and human concern, acquired by Cardinal O'Boyle through native inclination, training, and years of exacting work in highly responsible positions, has been of immense benefit, not only to the conduct of the affairs of the Washington archdiocese, but to the hierarchy of the Nation as well. In November 1961, Archbishop O'Boyle was elected chairman of the administrative board of the National Catholic Welfare Conference, and was reelected to that post in 1962, 1963, 1964, and 1965. Upon his retirement from the post, following the completion of his fifth term as chairman of the administrative board, he was prased by the board for "his patience, his unselfishness and his skill in achieving a superb degree of harmony and unity among our hierarchy." The board adopted unanimously a resolution proposed by Cardinal Spellman, stating that Archbishop O'Boyle "presided over the progress of NCWC during the historic years of Vatican Council II and has been the quiet architect of the revised structure of our secretariat."

Cardinal O'Boyle has received honors far too numerous to attempt their listing here, but perhaps the one that best epitomizes his achievement here is the Brotherhood Award of the National Conference of Christians and Jews, which was presented to him for his "eminent leadership in fostering interracial understanding" and for his "courageous pronouncements in behalf of human rights, especially the underprivileged."

Cardinal O'Boyle was the first American to be raised directly from the status of Monsignor to the position of Archbishop. He was the first Archbishop of the newly created Archdiocese of Washington, in 1948, and he has now been chosen as Washington's first Cardinal. The people of Washington are justly proud and pleased that this great church honor has come to one who has so ably and devotedly served people of all races and all creeds in this great metropolitan center. Mrs. McCormack and I, in particular, are most happy, and we share the happiness of the people of Washington in celebrating the elevation of that great churchman and true progressive, Patrick Aloysius Cardinal O'Boyle.

A CALL FOR RESISTANCE TO AID OR TRADE WITH NATIONS ENDANGERING WORLD PEACE

Mr. ZION. 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 Indiana?

There was no objection.

Mr. ZION. Mr. Speaker, recently I returned from the Middle East. While I was there I had an opportunity to discuss the situation with the Assistant Director General of U.S. Affairs in Israel, with the U.S. Military Attaché in Israel, with the Embassy staff at Tel Aviv, and with the consular staff at Jerusalem.

It is the firm conviction of these people that Israel can take care of itself if we will only stop helping its enemies.

We are making the same mistakes in the Middle East that we have made in other parts of the world. First we give economic aid, then military aid, then we send military advisers, and then we are in a full blown war.

In the past 20 years we have spent $13 billion in aid to the Middle East. We have followed a policy of building up a country so that it can wage war on its neighbors, and then we have to come to the aid of those neighbors.

We did this with the Greeks, with the Turks, with the Indians and with the Pakistani. Now there is great pressure on us to help Israel defeat the Arab nations we have been subsidizing.

There is an old expression:

> If you fool me once, shame on you. If you fool me twice, shame on me.

We are spending these billions of dollars of boondoggling money to potential enemies right now in Latin America. Mr. Speaker, I call for support of a concept of a world association of free nations. I believe we should use the leadership of which we are capable to help only those nations which are not involved in territorial expansion. We have to stop using tax dollars to subsidize war all around the world.

I call on my colleagues to join with me in resisting all aid or trade with nations that are endangering world peace.

THE OTEPKA CASE: A DISCOURAGEMENT TO FEDERAL EMPLOYEES

Mr. ASHBROOK. 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 Ohio?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, several days ago, on June 1, the gentleman from Iowa, Congressman H. R. GROSS, inserted in the CONGRESSIONAL RECORD an article from the Government Employees' Exchange, a publication for workers in Federal service, concerning the Otepka case. The article dealt in part with the decision to drop 10 of the 13 charges against Mr. Otepka which were concerned with the mutilation of classified documents. Stated the Exchange:

> The informant added that the reason for the recommendation is Mr. Jaffe's fear that Mr. Otepka obtained positive information regarding the identity of the persons actually involved in the "mutilations" and, in the event the charges are maintained in their present form, he will be able to expose the persons at the hearings. In this event, the Department of Justice will have no choice but to bring criminal proceedings against the persons so exposed.

The rest of the above paragraph gets more interesting as it goes on:

> In turn, these persons have already indicated they will reveal the identities of the "top persons" in the Department of State who had instructed them to "mutilate" the documents and to "plant them" in Mr. Otepka's burn bags in such a way as to make it appear that Mr. Otepka had carried out the mutilations.

After what has already transpired in this famous case, the above statement comes as no surprise. It will be remembered that the Senate Internal Security Subcommittee held hearings on State Department security procedures which involved Mr. Otepka, the hearings of which amounted to 20 parts. The report on these hearings is still being written and should soon be available. On the House side there is concern that Mr. Otepka will receive fair and just treatment. If the State Department thinks it will eventually slide this case under the rug and the whole affair forgotten, it is mistaken. Meanwhile, the American public can be of immense assistance by learning the facts and making their sentiments known here in Washington. Democrats and Republicans alike realize the importance of encouraging responsible and competent people to seek Federal employment; they likewise have the responsibility of assuring such employees that they will receive just and fair treatment if they clash with the Federal juggernaut.

To provide some background on the Otepka case, I include the article "Dismiss All But Three Otepka Case Charges," by Willard Edwards, appearing in the Chicago Tribune of June 7, 1967, in the RECORD at this point:

DISMISS ALL BUT THREE OTEPKA CASE CHARGES—SECRET HEARING IS STARTED

(By Willard Edwards)

WASHINGTON, June 6.—Ten of 13 charges, filed against Otto F. Otepka when he was fired three and one-half years ago, were dismissed today at the opening of a secret hearing in the state department.

The motion to drop the charges was made by Irving Jaffe, representing the justice de-

partment which is acting as prosecutor before a state department hearing examiner.

The cancelled charges, once offered as justification for dismissal of Otepka for conduct unbecoming a state department officer, related to his alleged "declassification" of confidential documents; his "mutilation" of similiar papers; and his supposed providing of questions to be asked of witnesses at a Senate hearing.

ISSUE OF JURISDICTION

Asked by Otepka's attorney, Roger Robb, the reason for dismissing the charges, Jaffe said they did not relate to the main issue in the case—the conflict of jurisdiction between the executive and legislative departments.

Three charges remain against Otepka. They accuse him of giving confidential papers to J. G. Sourwine, chief counsel of the Senate internal security subcommittee, for use in an inquiry into lax security procedures in the state department.

Otepka was the former chief of the division of evaluations in the department's office of security when he was locked out of his office in June, 1963, denied access to his files, and placed in isolation. Formal dismissal followed in November, 1963. He has been seeking an opportunity to defend himself ever since.

OTEPKA'S PHONE TAPPED

Otepka's troubles began during the Kennedy administration when he challenged the procedure of waiving security checks for hundreds of high-ranking department employes. The department placed a tap on his telephone. Subsequently, three officials admitted they had not told the truth in denying knowledge of this "bugging" operation.

One of those officials, John F. Reilly, then deputy assistant secretary of state for security, hastily resigned but was later given another high-salaried position with the Federal Communications Commission. He has been summoned as a witness but Jaffe told Robb at the hearing that Reilly had not stated whether he would answer the summons.

Jaffe wanted to know the nature of the questions to be asked Reilly. Robb told him the questioning would cover "everything about his relations with Otepka."

PROTESTS SECRECY RULING

Over Robb's protests, the transcript of the proceedings was declared to be a "classified" document, not open to later inspection by press or public. Jaffe explained that certain documents to be introduced were confidential.

"Every one of those documents has been made public in the published hearings of the Senate internal security subcommittee on this case," Robb noted. "Even if they are to be classified, there is no excuse for secrecy on the remaining portions of the transcript There is no precedent for such a ruling."

The hearing is expected to last 10 days. Otepka has not yet testified. His defense is that the only unauthorized information he supplied to the subcommittee was material disproving the testimony of others that made him out a liar.

SOMETIMES HARD TO TELL FRIEND FROM FOE

Mr. FUQUA. 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 Florida?

There was no objection.

Mr. FUQUA. Mr. Speaker, the crisis in the Middle East is of grave concern to every peace-loving person in the world. We are in a tense situation, where miscalculation can explode into world destruction.

As we read the treaties which we have made, often with those who have had no hesitancy to break the spirit or the word of our documents, Americans sometimes wonder. It is sometimes hard to tell friend from foe.

We have asked as a nation and as a people more times than can be counted for someone to tell us one inch of ground we covet in South Vietnam. We thought that the world had learned that you cannot appease aggression—even when it is a primitive land like Ethiopia.

I believe that the United States must see that Israel's integrity as a nation is preserved.

Without question, Nasser and his Nazi-style allies exploit the big lie to implicate the United States in their miserable failure on the battlefield. He hopes to bring a confrontation between the big powers—to save his faltering course, just as he had failed miserably on the economic front.

I am disturbed, however, that the United States has contributed a great deal to these hostilities with its foreign aid that these same lands—now engaged in mortal conflict—have received from us.

Even when Nasser told us literally to go and drink out of the sea, it was considered by many foreign aid advocates as unthinkable that some of us would think that we should cease our gifts that helped to perpetuate his despotic course.

Foreign aid advocates claim the program lifts up the underdeveloped nations—and their most foolish statement is that it makes "friends" for the United States.

I thought of this as I watched the King of Jordan, himself the victim of the wrath of Nasser, rush to disassociate himself with a land that had befriended him.

I wonder how a soldier in Israel must feel as he battles an American-made tank.

These "friends" we have made are sacking our embassies. An American can be hacked to death among such friendly people today.

We have requests before the Congress for more foreign aid in spite of predictions of fantastic deficits. There seems to be something bizarre and yet strangely comic as we witness opposing sides both using U.S. airplanes and arms. In this same context, we send our money so that they can be stronger to cut off oil shipments to those who have given them foreign aid, to burn the buildings of the Nation which has won so many "friends" with its bounty.

The right hand does not seem to know what the left hand is doing. I think foreign aid ought to have a pretty low priority on governmental expenditures, particularly in light of the fact that deficits of the magnitude we have heard projected in some quarters, seriously threaten the American economy.

There is a limit to what the American people can do. The thousands of lives that have been lost in South Vietnam is a tremendous sacrifice.

How many of the "friends" we have made have come to our aid?

Most are derisive, insulting, spit in our faces, and trade with the enemy as the opportunity of a lifetime to increase their trade.

Sometimes it is hard for me to tell friend from foe.

But it is not hard for me to tell that we need more commonsense in foreign aid.

NEED TO ESTABLISH A LASTING PEACE IN THE MIDDLE EAST

Mr. HICKS. 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 Washington?

There was no objection.

Mr. HICKS. Mr. Speaker, Israel, standing alone, has repulsed the enemies bent on her total annihilation. A resolution for a cease-fire, with no strings attached, has been adopted by the United Nations Security Council. The situation is approximately what it was in 1956. Mr. Speaker, we must not repeat the error we made that year.

We stepped in to stop an Israel-Egyptian shooting war then, too. And so anxious were we to stop the bloodshed that we did not adequately provide for really meaningful, long-lasting settlement. While our efforts then apparently caused us to gain some favor with the Arab nations, it was of a most transitory nature; those nations seemed this week almost in a race for the privilege of breaking diplomatic relations with the United States.

Should the cease-fire be accepted I hope, instead of returning to the old status during any negotiations—as we did in 1956—that the territorial status existing at the beginning of the cease-fire will be maintained until all negotiations to establish a lasting peace in the Middle East have been completed.

VALIANT ISRAEL DEFENDERS

Mr. HALPERN. 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. HALPERN. Mr. Speaker, though the hope for peace in the Middle East crisis has been enhanced by last night's cease-fire call by the United Nations Security Council, Nasser and his stooges still leave no doubt of their long-sought objective—the complete annihilation of Israel.

Despite their military defeats, their aim repeated now even with more vehemence than ever—to destroy Israel—as obviously impossible as that grand design may be.

For years this fanatical cause has obsessed Nasser and his stooges. They left no doubt for a long time that they are the aggressors. Their public declarations,

their massive troop mobilizations on Israel's borders, their illegal blockades, their military alliances encircling Israel made this war inevitable.

The brave and valiant Israeli people—yes, Mr. Speaker, I say people, for Israel's defenders are men, women, and children of all ages—have amazed the world with their determined might. They not only have thrown back their enemies, but have pushed them far into the Arabs' own territories.

Unlike the Arabs, whose repeated objective has been one of destruction, a vow reflected so vividly by recent developments, Israel seeks only to live in peace and in cooperation with her Arab neighbors. In this war, as well as in the hostilities in 1956, Israel sought only to defend its land, its people, and its freedom.

The fundamental issues remain unchanged.

We are committed to resist aggression and defend freedom. To the dismay of so many Americans who have faith in our commitments—and no nation could have been more reassured by our pledges through the years than Israel—our Government announced a policy of neutrality.

Ironically, as a cover for Arab military defeats, Nasser now claims the United States is secretly fighting much of Israel's battle, which is typical of the Egyptian dictator's wild and blatant lies.

Now, in desperation, he compounds his belligerence and irresponsibility by cutting off diplomatic relations with the United States. He has cut off access through the Suez. He cuts off Arab oil.

Surely at this point with the break in diplomatic relations, we should nullify our status of being "neutral" in "thought, word, and deed" and let Israel and the world know that we will insist on a settlement of this war on terms that will not leave the way for any outbreaks in threats to world peace in the future.

We welcome the cease-fire call, and we hope the cease-fire will be just that—and not leave the way open to the need for a cease-fire later.

The United States, in order to yet give meaning to its commitments, should take the leadership in insisting that any settlement include the resolving of the heretofore hopelessly confused question of boundaries and the question of transit rights through the Suez and the Gulf of Aqaba. It must be implemented in cooperation with and protection of a United Nations force or other international authority.

And, most important, any settlement must include willingness of the Arabs to accept the legal existence of Israel and recognize her accordingly.

For 20 years there have been three devastating wars in the area. The Arab States have never accepted the reality of the existence of Israel and for the 19 years since its statehood they have considered themselves in a state of war with the Israelis.

How can there ever be peace unless Egypt and other Arab States accept the State of Israel?

Israel has indicated its willingness to accept the cease-fire, depending upon the acceptance by the other side, which up to this moment vehemently declines.

A cease-fire and a following settlement depends upon cooperation of all parties. There must be acceptance of the very realistic fact that Israel is a very much alive member of the community of nations and there must be elimination of the fiction that it is nonexistent. Lasting peace can only be built on the foundation of mutual respect for the rights of all.

IMPROVED WEATHER FORECASTING

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

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

There was no objection.

Mr. DERWINSKI. Mr. Speaker, on April 21, 1967, a tornado which struck northern Illinois caused extensive damage to Oak Lawn, Hometown, Chicago Ridge, and other communities in the suburban area of Chicago and in the city itself.

The destruction inherent when a tornado strikes is very often complicated by the lack of adequate warning and this was a factor in causing the shock and confusion which naturally reigned at the time of the disaster. Therefore, I deem it of special interest that the Senate of the State of Illinois passed a resolution calling upon the Congress to expand research and development programs to improve weather forecasting. I ask leave to insert the resolution into the RECORD at this point as part of my remarks.

[From the State of Illinois, 75th General Assembly]

S.J. RES. 67

Whereas, The tornado is the most violent of all storms; and

Whereas, In the most recent such storm disaster involving the northeastern section of the State of Illinois, the tornado dipped its death dealing spout over the communities of Belvidere and Oak Lawn killing fifty-nine and causing property damage which mounted in the hundreds of millions of dollars; and

Whereas, since the Federal government is spending billions of dollars on national defense, space research and development, and a multitude of various welfare programs, it is appalling that so little of the taxpayer's dollar is spent on research and development in the area of weather forecasting; and

Whereas, The Federal government has preempted the area of weather forecasting, and it has failed in discharging its responsibility; and

Whereas, A relatively small amount is spent for research and development in this vitally important area; and

Whereas, there was no warning given to the residents of Belvidere and Oak Lawn of the imminent disaster; and

Whereas, Now after dozens of tornadoes have inflicted grievous loss and destruction on life and property, and thus far we have not found a way to control weather, there is an obvious need for the Federal government to push more vigorously in the research and development of weather forecasting so as to facilitate effective warning systems that will protect the people from disaster; therefore, be it

Resolved, By the Senate of the Seventy-Fifth General Assembly of the State of Illinois, the House of Representatives concurring herein, that we respectfully petition the Congress of the United States to expand its efforts in research and development of weather forecasting by substantially increasing the appropriation to the Environmental Science Services Administration, which has charge of the U.S. Weather Bureau so as to discharge fully its fiscal responsibility for the safety and well being of the people; be it further

Resolved, That a copy of this Resolution be immediately transmitted by the Secretary of State of Illinois to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States and to each member of the Congress from this State.

Adopted by the Senate, May 15, 1967.

SAMUEL M. SHAPIRO,
President of the Senate.
EDWARD E. FENNANDES,
Secretary of the Senate.

Concurred in by the House of Representatives, May 26, 1967.

_____,
Speaker of House of Representatives.
FREDRIC B. SELCKI,
Clerk of House of Representatives.

MEMORIAL SERVICE IN COMMEMORATION OF LIDICE

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

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

There was no objection.

Mr. ERLENBORN. Mr. Speaker, the 25th anniversary of the destruction of the Czechoslovakian town of Lidice will be marked by a special memorial service in Lidice, Ill., on June 11. I would like to insert the following article which appeared in the Joliet Herald-News—May 9, 1967—to remind us that the struggle for freedom is a constant one.

THE COMMEMORATION OF LIDICE, JUNE 11, 1967

In June 1942, a merciless oppressor destroyed the village of Lidice, Czechoslovakia. The destruction of this tiny village was an act of calculated cruelty which has never ceased to shock the conscience of the world.

However, despite humanity's collective conscience there have been many Lidices on our planet since June 1942.

And even as the list of Lidices has thus grown longer and longer, mankind's means for perpetrating new horrors have steadily grown more and more awesome and more and more terrible.

We Americans are brought up believing in the sacredness of human life, in the sacredness of human values, and in the sacredness of the individual human being.

In America, first among the individual's basic rights is the right to life. It must follow then that we Americans are opposed to the blind and wanton destruction of homes and villages—wherever—and to the blind and senseless taking of human life—wherever.

For the dark reality of the destruction of Lidice stands at the far end of the road from the shining promise of our American Dream.

It must follow then that we solemnly commemorate the destruction of Lidice as a reminder to all of man's continuing inhumanity to man.

And thinking on the forces which produced Lidice and its terrible consequences can only strengthen and reaffirm our faith in the Ideals of America.

For through the Commemoration of the destruction of Lidice we reaffirm our faith and our belief in the dignity and the brotherhood of all mankind which is nothing less than our American Dream.

LEST WE FORGET

On June 9th, 1942, a few miles west of Prague, Czechoslovakia, in the softly rolling hills of Old Bohemia, four thousand miles from the United States, stood a little mining village.

On June 10th, 1942, this little hamlet died as a martyr village, and its death knell was heard around the world. It was blasted, burned, and plowed under. The ruins of its church became the gravesite where its dead were buried in a mass grave.

Lidice was the name of the village annihilated by the Nazis on June 10th, 1942, in reprisal for the assassination of Reinhard Heydrich of the Nazi Elite Guard. They shot, by a firing squad, 185 men and teen-age boys, condemned most of the 105 children to the gas chambers, and sent the 203 women to concentration camps.

Lidice, Czechoslavakia was completely destroyed, and barley planted to cover the mass grave of the dead. Its name and past were erased from the public records, but from the onset the outrage for revenge and a drastic example to frighten the people failed in its purpose.

This tyranny so shocked the entire world that Winston Churchill and President Franklin D. Roosevelt issued an appeal to rechristen "Lidice" in the United States, to perpetuate in the hearts of all people the love of human freedom and the courage to maintain it.

Mr. Dominic Romano was at this time developing the subdivision of Stern Park Gardens fronting on Theodore Street in Lockport Township, Illinois. Through his efforts in conjunction with the Federal Housing Authority and Marshall Field, "LIDICE, U.S.A." was born. The formal dedication on July 12th, 1942 was witnessed by thousands of people. Compassionate Americans at this dedication vowed never to forget the atrocity that shocked the world. They knelt in prayer and wept for those who had sacrificed so much for freedom. Many notable speakers were on the program. Wendell Willkie, Republican Candidate for President in 1940 delivered the dedication speech. Others participating were Col. Vladimer Hurban, Czech Minister to the United States, Clifton Faddiman of "Information Please" radio fame, and Dr. Walter H. Macpherson, Pastor of the Universalist Church in Joliet, Illinois. A message from President Roosevelt was also read. The program was broadcast by WCLS and the National Broadcasting System on a coast to coast hook-up. The British Broadcasting System rebroadcast it over Europe.

One of the high points of the day was the lighting of a torch known as the Light of Liberty and the dedication of a memorial shaft inscribed "In memory of the people of Lidice, Czechoslovakia destroyed by barbarism, but living forever in the hearts of all who love freedom, this monument is erected by the free people of America at Lidice, Illinois". LIDICE, U.S.A. is now part of the City of Crest Hill, Illinois. June 10th, 1967 will mark the 25th anniversary of the great sacrifice that was made by Lidice, Czechoslovakia in the struggle for freedom. Because of the historical significance to this area, the Crest Hill Women's Civic League, Inc. feels a civic responsibility to rededicate the pledge of 25 years ago "That liberty shall not perish from the earth", and will on June 11th, 1967 sponsor a commemorative program at the Memorial located on Prairie Avenue, one block north of Theodore Street in Crest Hill, Illinois.

FREE AIR TIME FOR PRESIDENTIAL CANDIDATES

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

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

There was no objection.

Mr. CAHILL. Mr. Speaker, I would like to call to the attention of the Congress a matter of great importance and one which has already been receiving some attention in the other body.

With every presidential election, the costs of campaigning are becoming progressively more burdensome to the major candidates. This can have the unwanted effect of compelling these candidates to expend too much time and effort raising money, and that much less time on the issues of the campaign.

Some reasonable alternative must be found, and in this regard I call to your attention two recent and timely newspaper articles. The first, by William J. Eaton, appeared in the June 1, 1967, Philadelphia Inquirer and was titled "Free Air Time for Presidential Candidates"; the second article is by Roscoe Drummond and appears in today's Washington Post.

I suggest that, rather than attempt to solve this problem with an untried system of voluntary contributions by taxpayers, we look instead to the radio and television industry.

Radio and TV stations operate under licenses from the FCC. They are therefore under an obligation to operate in the public convenience and necessity in return for the Federal Government's authorization to use the public airwaves. Why should we not require, then, that these stations, as a matter of public necessity, provide a small portion of their air time to the major presidential candidates?

Adequate precedent for this has already been established. In 1960, the television industry, acting under a special grant of authority from Congress, provided free air time for the Kennedy-Nixon debates.

Only the major party candidates would be entitled to this free time, with criteria for determining such candidates to be established in congressional hearings. One major criterion might be the number of votes which a particular party received in the prior presidential election.

The FCC recently ruled that radio and TV stations must provide equal time to opponents of cigarette smoking who wish to present an answer to the great volumes of advertising. It would seem that the next logical step would be to extend this ruling by analogy, as suggested by Mr. Drummond, to politics. The articles I have referred to are as follows:

[From the Philadelphia Inquirer, June 1, 1967]

HOW ABOUT FREE AIR TIME FOR PRESIDENTIAL CANDIDATES?

(By William J. Eaton)

WASHINGTON.—Nobody is thinking much about how to save the taxpayers' money in the various proposals for Federal financing of Presidential election campaigns.

Yet it seems likely that Congress could provide for a reduction in campaign expenses without dipping into the U.S. Treasury if it were willing to take bold action.

The skyrocketing costs of radio and television time—a must for modern-day candidates—is given as one of the main justifications for campaign financing plans.

No one has suggested, however, that radio and television stations be required to provide a certain amount of time to major Presidential contenders without charge.

Radio and TV stations operate under licenses from the Federal Communications Commission. They are under an obligation to operate in the public convenience and necessity in return for the Federal Government's authorization to use the public airwaves.

Why isn't it logical, therefore, to insist that these stations allocate a small fraction of their air time, once every four years, to the principal candidates for the White House?

The television industry, acting under a special grant of authority from Congress, provided free time for the debates between John F. Kennedy and Richard M. Nixon in 1960. The precedent has been established.

Even if the crowd-pleasing debate formula is not used in the future, cannot Congress provide for free air time for the major contenders, presuming the radio and television station owners go along?

The law was needed in 1960, it was argued, so minor party candidates would not demand "equal time" on the networks to espouse their views.

The campaign financing proposals debated in the Senate and forwarded by President Johnson, however, do almost nothing for third-party contenders. Only the Republicans and Democrats would get funds in 1968, for example, if such a law is passed.

If Congress is willing to reject third-party financing through the Treasury, it should be equally willing to bypass them if it decides to provide free radio-TV time in Presidential election years.

The amount of time and scheduling of political broadcasts could be worked out after Congressional hearings. The law might even ban the purchase of air time by supporters of either major candidate to prevent saturation coverage of the networks by the richer side.

Critics of such a plan might complain that the radio-TV stations were being deprived of profits they were entitled to earn from political advertising.

The demands of public service, however, should have a stronger claim on the industry, particularly since we elect a President only once in four years.

Newspapers, protected by the First Amendment from Government domination, might want to volunteer advertising space for the White House contenders if they want to keep up with their electronic brethren.

If the law is passed to reimburse Presidential candidates for expenses, the free-time and free-space offers would be one way for the communications media to reduce Federal spending directly.

[From the Washington Post, June 7, 1967]

RULE OF REASON—FCC SHOULD EXTEND IT TO POLITICS

(By Roscoe Drummond)

The usually cautious, don't-stir-things-up Federal Communications Commission has really stirred things up this time. There are fascinating and far-reaching potential consequences of the FCC's decision that radio and television stations must provide substantial time to answer controversial cigarette advertising.

This decision is to the air waves what the Supreme Court ruling on one-man, one-vote is to politics—it is going to be felt everywhere and in ways which cannot immediately be foreseen.

The FCC has taken only one step. It has applied its doctrine of "fair treatment" only to cigarette commercials by ruling that stations which carry such advertising must also

broadcast spot announcements, programs, and news items concerning the possible perils of cigarette smoking.

But this is only the beginning. The ruling that the stations must give free time to reply to cigarette advertising will have to be extended to other commercials if the FCC is to have a coherent and logical policy.

A formal complaint was lodged with the FCC against a New York City station (WCBS-TV) under the fairness doctrine. It contended that the station had a duty to make "equal time" available to "responsible groups" for presentation of the case against cigarette smoking.

The FCC agreed substantially and disagreed only in not requiring "equal time" for the answers which, it said, could well come from the American Cancer Society or the Department of Health, Education, and Welfare. It ruled that it would be enough for each station to provide "a significant amount of time."

But there are bound to be other complaints and further decisions. It is hard to see how the Commission can rule that, while one aspect of controversial advertising requires making time available for reply, another doesn't.

Responsible people may want to warn against health hazards of drugs as well as smoking.

I am not saying that the FCC will have to guarantee radio and TV time to every dissenting group which asks for it, but I am suggesting that it will not be able to halt its "fairness doctrine" at cigarette advertising only.

It is wise not to make equal time mandatory. I think it is a mistake for the FCC to have made equal time mandatory in election campaigns since, in effect, it prevents the networks from giving the major candidates any free time at all for debate and discussion.

The FCC applied the rule of reason in the case of cigarette advertising. It ought to apply the same in the case of politics.

THE MIDDLE EAST SITUATION

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

There was no objection.

Mrs. DWYER. Mr. Speaker, now that the armed forces of Israel have virtually won the war forced upon them by the Arab States and the work of peacemaking has begun, I believe it is especially important to review the basic issues of the Middle East crisis and our own position.

On May 23, I joined with approximately 95 of our colleagues in the House—Republicans and Democrats alike—in publicly denouncing the warlike acts and words of Arab countries against Israel. We pledged our fullest support to those measures taken by our Government to make it unmistakably clear to those who proposed to destory Israel that we were prepared to take whatever action might have been necessary to resist aggression against Israel and to preserve peace in the Middle East.

The outbreak of war and the remarkable victories of the Israeli forces have changed the strategic, and to some extent the political, character of the issues. But, fundamentally, they remain manifestly clear, and I believe the time is appropriate to repeat our pledge of support to the integrity of Israel.

Led by President Nasser of the United Arab Republic, the Arab States, Mr. Speaker, left no doubt in anyone's mind that their objective was the complete destruction of Israel as an independent nation. They, the Arab States, were the aggressors. Their vitriolic, public, and repeated declarations of hostility, the mobilization of their military forces on the borders of Israel, the military alliances they formed for the specific purpose of surrounding and threatening that beleaguered country, and their illegal blockade of international waterways which are vital to Israel—these events, swiftly following one upon the other, combined to make this war inevitable.

Israel's position was equally clear. It sought—and still seeks—only to defend its land, its people, and its freedom. It has freely renounced, despite the relative ease and broad sweep of its victories, any intention of holding the lands it has conquered. The evidence is conclusive, I believe, that this young and vigorous nation desires only the assurance that its neighbors will leave it alone.

This is the issue that must be faced in the hours and days ahead, Mr. Speaker. We cannot expect a tiny nation, which has fought successfully to save its life against great numerical odds, to sit back and allow the same combination of hostile forces to recoup and reassert their vengeance. Such an expectation would be grossly unreasonable, and would contribute nothing to world peace. Our objective now, of course, must be the ending of the war at the earliest possible time. As of this hour, Israel has formally accepted the cease-fire ordered by the Security Council of the United Nations with the understandable condition that the other belligerent forces cease their operations at the same time. Only Jordan, among the nations arrayed against Israel, has also agreed to the cease-fire.

But a cease-fire, Mr. Speaker, can only be the beginning of efforts to build a stable peace in the Middle East. At the heart of such a peace must be effective guarantees or other enforceable assurances that Israel will no longer be subject to aggression by its neighbors, whether directly in the form of military attack, or indirectly through the blockade of waterways essential to its needs.

We of the free world are commited to resist aggression and defend freedom. Though our own Government declared a policy of "nonbelligerence" during the present fighting, this did not mean indifference to the fate of Israel, nor did it indicate a weakening of our commitment to its territorial integrity or to the search for a lasting peace. That search must now be pursued more vigorously than ever.

INCREASING THE EARNINGS LIMITATION FOR SOCIAL SECURITY BENEFICIARIES

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

There was no objection.

Mrs. DWYER. Mr. Speaker, one of the most important issues now being studied by the Ways and Means Committee in its comprehensive review of all aspects of the social security program is the question of the earnings limitation governing the income of beneficiaries who continue to work while receiving social security benefits.

As our colleagues know, the present law permits beneficiaries to earn up to $1,500 a year without loss of benefits. If earnings exceed $1,500, the general rule is that $1 in benefits will be withheld for each $2 of earnings over $1,500 and up to $2,700. And if a beneficiary earns over $2,700 in a year, $1 in benefits will be withheld for each $1 of earnings over $2,700.

In common with many of our colleagues, Mr. Speaker, I have long been convinced that this limitation, especially at its present low level, works to the disadvantage of everyone concerned. It is inequitable, first of all, because it limits the income of persons whose only other source of income is social security, while it does not apply to persons who derive additional income from such sources as investments, interest on savings, and royalties. The limitation also deprives those beneficiaries for whom work would be socially, psychologically or physically rewarding. In addition, it denies the economy, at a time when the shortage of skills in many areas is a national problem, the services of many retired persons who are ready and able to fill these gaps.

As a case in point, Mr. Speaker, I refer to the effect of the earnings limitation on a very valuable program in my own State of New Jersey. Under this program of homemaker-home health aides for the acutely and chronically ill and for medicare patients on extended home care services, trained and qualified women are employed as "visiting homemakers" to go into households disrupted by illness for the purpose of providing light housekeeping, cooking, and similar services, thereby helping to keep families stabilized until crises have passed. Many of the homemakers, however, are social security beneficiaries who are forced to cease their work once their earnings reach the legal limitation.

In a recent letter to me, Mr. Earl S. Christman, president of a nonprofit organization which provides such homemaker services in my congressional district, described the problems created by the earnings limitation, and under leave to extend my remarks I shall include his letter for the information of our colleagues.

Our colleagues, too, Mr. Speaker, may be interested in the results of a recent public opinion survey which I conducted among a broad sampling of the residents of my district. To the question whether Congress should increase the amount of earnings which social security beneficiaries are allowed to receive without

loss of benefits, 72 percent replied "yes" while only 8 percent answered "no." The 72-percent vote, by the way, was far higher than the vote favoring any of the alternative means of increasing social security benefits.

While I feel sure this result, as one-sided as it is, does not come as a surprise to our colleagues who have experienced the great and continuing interest in this issue among the American people, I do hope it will further strengthen the conviction held by many of us that Congress should substantially increase the earnings limitation in this year's Social Security Amendments. For the past six Congresses, I have introduced legislation for this purpose, and I know of no other legislation which has attracted such overwhelming support. Recognizing what inflation has done to the dollar since the earnings limitation was first imposed, appreciating that the skills of those over 65 are still in demand, and understanding the importance of encouraging retired persons who want to continue working, I am hopeful that the time has come for a major updating of this anachronistic provision of the social security laws.

The text of Mr. Christman's letter, to which I referred, follows:

SUMMIT AREA ASSOCIATION FOR GERONTOLOGICAL ENDEAVOR,
Summit, N.J., May 31, 1967.

Hon. FLORENCE P. DWYER,
House Office Building,
Washington, D.C.

DEAR MRS. DWYER: We wish to go on record strongly urging that you support a substantial increase in the earnings limitations of persons receiving Social Security Benefits, or, better yet, completely eliminate them.

Since 1954 when our organization was incorporated as a non-profit Council on Aging, we have been employing qualified and trained women called "Visiting Homemakers" to go into homes disrupted by illness, for the purpose of doing light housekeeping, cooking and other duties, thus helping to keep the family stabilized until the crisis is over. This has now developed into a state-wide program of Homemaker-Home Health Aides for the acutely and chronically ill and for Medicare patients on Extended Home Care Services.

Many of our Homemakers are women receiving Social Security benefits. As soon as they reach the limit of earnings prescribed by the law, they leave our employment although many times they are desperately needed by the patient. But they will not take a chance that they might have an accident or become ill themselves and, having earned over the limit, be in the predicament of not having any more income for the rest of the year.

This is not only a great hardship to the women employed but also for their aged and chronically ill patients who must depend on them for assistance in the home. With the decrease in the value of the dollar over the past 10 years these women are in dire need to earn much more than the $1500 a year in order to adequately support themselves.

We are now employing 60 women as Homemaker-Home Health Aides. Even with this number, we are not able to service all the requests that we get. At the present time, with only the first third of the year over, two of our women have earned up to $1500 and are notifying us that they are going to have to stop working for the rest of the year. As the year goes on, we will be faced with many more women who will have to leave us and their patients for the same reason. This situation has obtained ever since the inception of our Home Care Program but is rapidly getting worse. The need for these women to serve in our community is very great and their need of income increases with inflation.

Therefore, we strongly urge you to work for and support a substantial raise in the earnings limit or eliminate it entirely, and end this most unfair restriction.

Since there is no limit on *unearned income,* what is the virtue in restricting earned income? We feel that the earner deserves much more at the hands of our government, especially since he has already contributed to this "insurance program" and must continue to pay the tax while he is employed, no matter how old he becomes!

Sincerely,

EARL S. CHRISTMAN,
President.

VALUABLE WORK OF THE AMERICAN COUNCIL OF YOUNG POLITICAL LEADERS

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

There was no objection.

Mr. BROCK. Mr. Speaker, I recently enjoyed the opportunity of meeting with a group of 16 young European Christian Democratic political leaders visiting Washington under the sponsorship of the American Council of Young Political Leaders.

Our discussion ranged over most of the vital domestic and international issues confronting us today, and I was impressed by the usefulness of such an exchange of ideas, which cannot help but be to the profit of all involved. In addition, I had the opportunity to explain to the visiting Europeans some of the intricacies of our own unique system of government.

If the program in which I participated is a typical example of the work done by the American Council of Young Political Leaders, that organization deserves a great deal of credit for the fine work it is carrying on and we all ought to consider how we might best assist this bipartisan group of young American political leaders in their efforts. I am sure that my Democratic colleagues, WILLIAM FORD, of Michigan, and RICHARD MCCARTHY, of New York, who also participated in the program, will concur in this view.

The following leaders of European Christian Democratic youth organizations composed the delegation I met with:

Austria: Fritz Koenig, Kurt Sörö, Walter Heinzinger.

Belgium: Willy Laevaert, Leo Teugels.

France: Mr. and Mrs. Bruno Coiraton.

Germany: Lothar Kraft.

Luxembourg: Jean Spautz.

Netherlands: Piet Van Engelen, Rob Vermaas.

Italy: Angelo Sferrazza, Alfredo De Poi, L. Faragui, Miss Gabriella Geniola, Mrs. Franca Fagotti.

COLORADO RIVER BASIN PROJECTS

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

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

There was no objection.

Mr. BURTON of Utah. Mr. Speaker, May 31, 1967, was a truly memorable day in the history of my State of Utah. A ground-breaking ceremony at the Starvation Dam site commemorated another stage in the construction of the Bonneville Unit of the Central Utah project—a project that will greatly benefit the citizens of Utah. This occasion signified the results of more than 20 years of planning by local, State, and Federal agencies.

The Starvation complex of the Bonneville Unit will consist of Starvation Dam and Reservoir, Knight Diversion Dam, and Starvation Feeder Conduit. Stored water will be used to supplement the presently inadequate irrigation supplies in the Duchesne, Utah, area, and to replace some water now used in that area that will be diverted by the Strawberry aqueduct to the Bonneville Basin, which contains the greatest proportion of the people of the State of Utah. Benefits will also be provided at Starvation Reservoir for outdoor recreation, fish and wildlife conservation, and flood control.

The citizens of my State were indeed fortunate to have as guest speaker, our good friend, the very capable chairman of the Committee on Interior and Insular Affairs of the House, Mr. WAYNE N. ASPINALL of, our neighboring State of Colorado. As always, the chairman of our great committee, which handles about one-fifth of the legislation passed by the House, accomplished a superior job. He pulled no punches with respect to the problems facing the Colorado River Basin, the Upper Basin, or my State of Utah. He demonstrated keen awareness of future problems that will face this region, if we don't get to work now and pursue with vigor an augmentation of the water supply. He endeared himself in the hearts of Utah citizens by telling them that so long as he is a Member of the Congress he will work diligently to assure that Utah will receive her fair share of use of the waters of the Colorado River system. Those of us who know him, know that he means what he says. When, during inclement weather at the onset of a cold, mountain rainstorm, he was forced to curtail his prepared statement by saying, "It is time to conclude these ceremonies because the rains have come," the people of Utah knew for sure that they have a real friend in Chairman ASPINALL.

As much as Utah citizens appreciate Mr. ASPINALL's gracious endeavors in attending their Starvation Dam groundbreaking ceremonies under extremely adverse conditions, they appreciate even more his willing and able efforts in the Congress in aiding them to fulfill their dreams and aspirations for future water and related land resource development.

Coming from a State that takes pride in having pioneered modern-day irrigation and reclamation on the North American continent, this strong feeling toward a good neighbor is a genuine compliment.

Mr. Speaker, I insert the text of Chairman ASPINALL's address at the Starvation Dam ceremonies in the CONGRESSIONAL RECORD at this point:

REMARKS OF THE HON. WAYNE N. ASPINALL AT THE STARVATION DAM GROUNDBREAKING CEREMONIES, MAY 31, 1937

I am glad to be here today and participate in these ceremonies signaling the start of construction of this great project that means so much to the State of Utah. In celebrating this occasion. I am glad to join Governor Rampton and my colleagues in the Congress, Senator Bennett, Senator Moss and Representatives Burton and Lloyd, and also former Governor Clyde, former Senator Watkins, and Commissioner Dominy. This is a particular pleasure for me because I am proud of the part that I played in the enactment of the legislation that made this event possible.

The Central Utah Project is the largest and most comprehensive of any single participating project of the Colorado River Storage project and it will benefit more people than any of the other projects. The Bonneville unit and the other units that make up the initial phase of the Central Utah project will provide enough water to sustain substantial growth in the great metropolitan area stretching along the western slope of the Wasatch Mountains. By the construction of these units, the water needs of Utah's expanding economy will be assured for at least the next 20 to 25 years.

But what about the period beyond?

Must the growth of your State and my State be limited by the water supplies available to us from our entitlement from the Colorado River—or will we find the way and the water for our States to continue to grow and to prosper. This is the challenge we face today even as we celebrate the past and present success which this event represents. The water situation in the entire southwest is fast approaching the critical stage. It is appropriate, therefore, as we celebrate this occasion, that we reflect upon the past history of this great Colorado River, how the present development on the River came about, and the problems we face in the future.

It was around the turn of the century that water was first diverted from the lower Colorado River on a large scale for agricultural purposes. These first diversions, in 1901, by private enterprisers, to the Imperial and Palo Verde Valleys in California were soon followed by Federal developments under the Reclamation Act of 1902. By 1920, irrigation in the Lower Basin has expanded to the point where the unregulated flow of the Colorado River was completely utilized during periods of low flow, and further expansion was dependent upon the construction of storage reservoirs on the river.

It was about this same time that officials of your State and mine started to view with alarm the rapidly increasing use of Colorado River water in the Lower Basin. We are fortunate that we had men in our States who had the foresight to recognize the threat to our future if all of the water of the Colorado River was put to use in Arizona and California before our water needs developed. Such a man was Mr. A. F. Doremus who served as your State Engineer from 1901 to 1905 and later worked with the Utah Storage Commission. Mr. Doremus visualized much of the present day development of the Colorado River Basin and has been referred to as the father of the Central Utah Project. This concern of our water pioneers over the rapid development in the Lower Basin led to establishment of an organization called "The League of the Southwest", the purpose of which was to permit the orderly and equitable development of the entire Colorado River basin. You will be interested, I am sure, in knowing that it was your own Governor, Governor W. J. Spry, who called a meeting of that organization in Salt Lake City on January 18, 1918, to discuss the problems of development on the Colorado River. Subsequent meetings of the League of the Southwest were held in Los Angeles and Denver, and these meetings were marked by debate over Upper versus Lower Basin storage sites and by discussion of the possibility of an interstate compact. Out of these meetings came a resolution, the substance of which was that the use of the waters of the Colorado River should be settled and determined by a compact among the basin States. This was the genesis of the Colorado River Compact.

Legislation granting the consent of the Congress to the negotiations of a compact among the States with respect to the apportionment of the waters of the Colorado River was enacted in August of 1921. A few months later, President Harding appointed Herbert Hoover as Federal Representative on the Colorado River Commission. Each of the States named a Commissioner with Mr. R. E. Caldwell being named by the State of Utah. Mr. Caldwell was at that time your State Engineer and he was assisted in his Compact Commissioner duties by Dr. John A. Widtsoe. The Colorado River Commission convened in Washington, D.C., on January 26, 1922, where it held seven executive sessions. In March and April, 1922, the Commission held public hearings throughout the Colorado River Basin including hearings in Salt Lake City on March 27 and 28, 1922. The Commission held its 8th business meeting in Phoenix on March 15 and its 9th in Denver on April 1. It convened in Santa Fe, New Mexico, on November 9, 1922 for its 10th meeting and remained in session there until the signing of the Compact at its 27th meeting on November 24, 1922. All the States except Arizona ratified the Compact in 1923. It was not ratified by Arizona until 1944.

While the initial effort of the Colorado River Commission to allocate waters individually to the several states was not successful, the Commission was able to reach agreement on division of the basin and on the apportionment of water to each division.

I am not going to discuss the provisions of the Colorado River Compact. I believe they are generally familiar to all of us. However, I think it important to mention that agreement on the compact was reached on the basis of the clear impression and view of all the Commissioners that there would be much more water in the Colorado River than history has proved to be the case. For example, your own Commissioner, Mr. Caldwell, in reporting to the Utah Senate at the time he asked for ratification, stated that the Colorado River would have an average annual flow of from 20 to 22 million acre feet annually. He indicated there would be four to six million acre-feet of unapportioned water and that when a new apportionment was undertaken, an adjustment for the sake of equity could be made, taking into consideration, of course, any Mexican burden which the United States assumed. While you have these figures in mind, I want to call your attention to the fact that virgin flows of the Colorado River at Lee Ferry during all the year since 1922, the year the compact was signed, have only averaged about 13.8 million acre-feet annually. Instead of having an annual average of 7.5 million acre-feet for consumptive use in the Upper Basin plus some part of the unapportioned water thought to be available at the time the compact was signed, the best engineering judgment at the present time indicates that the amount available to the Upper Basin will be about 6.2 million acre-feet and, after acounting for losses due to evaporation, only about 5.5 million acre-feet will remain for division among the Upper Basin States. We are even in danger of losing part of this if it is put to use in the Lower Basin without some assurance that the water supply of the Colorado River will be augmented. These are the hard facts that we face today.

Now, back to the history of the River—

With the signing of the Compact, each of the two Basins—the Lower Basin and the Upper Basin—was in position to go forward with development, and I would like to discuss very briefly what took place in each Basin.

In the Lower Basin, the Compact made possible the enactment of the Boulder Canyon Project Act. However, this legislation was held up for many years because of Arizona's failure to ratify the Colorado River Compact, and because negotiations among Arizona, California and Nevada, with respect to division of the Lower Basin's apportionment of Colorado River water, failed to produce an agreement. Finally, in December of 1928, even though there was still no agreement among the Lower Basin States, the Boulder Canyon Project Act was passed with the provision that it would not become effective until California agreed to limit its consumptive use of Colorado River water. California met this requirement by passing the California Limitation Act in March of 1928 and thereby accepting an annual limitation of 4.4 million acre-feet of the 7.5 million acre-feet apportioned to the Lower Basin by the Colorado River Compact. Thus, the project Act not only reserved Lower Basin water for the States of Arizona and Nevada, but it provided protection to the Upper Basin States against California proceeding with unlimited development, and it provided assurance that the Compact would not be nullified. It also left the way open for the Lower Basin States to get together on water use by the inclusion of a provision authorizing the three States to enter into an agreement apportioning 4.4 million acre-feet annually to California, 2.8 million acre-feet annually to Arizona, and 300,000 acre-feet annually to Nevada, with Arizona and California to divide equally any surplus or excess water available above 7.5 million acre-feet. However, as you know, the three States never entered into such an agreement.

The Boulder Canyon Project Act was declared effective in June of 1929 and, in 1930, construction of the Boulder Canyon dam was initiated. Legal attempts by the State of Arizona to halt construction failed and the dam started impounding water early in 1935. Parker dam was completed in 1938 and Davis Dam was completed in 1950. Development in California proceeded rapidly with completion of the All-American Canal system and the Colorado River Aqueduct of the Metropolitan Water District, and California is presently using not only 4.4 million acre-feet but an additional 700,000 acre-feet from surplus flows.

The Mexican Water Treaty, which was a matter of discussion and negotiation from the time of the Colorado River Compact, was finally entered into in 1944 during a war period when our government was under great pressure to resolve this controversy with our neighboring country to the south. The Treaty guarantees annually to Mexico 1.5 million acre-feet of water with a little flexibility provided in years of surplus and in years of extreme drouth.

Arizona finally ratified the Colorado River Compact in 1944 and in this same year entered into a contract with the Department of the Interior for 2.8 million acre-feet of water pursuant to the provisions of the Boulder Canyon Project Act. Soon thereafter Arizona initiated its long and controversial fight to obtain authorization of its Central Arizona Project.

After failing in several Congresses to obtain authorization of the Central Arizona Project, and after the House Interior and Insular Affairs Committee in April of 1951 passed a resolution postponing action on the Central Arizona Project until the water in the Lower Colorado River Basin had been adjudicated, Arizona brought suit against California in 1952. Arizona's complaint alleged that, pursuant to the Colorado River Compact and the Boulder Canyon Project Act, Arizona was entitled to the beneficial consumptive use of 2.8 million acre-feet of water each year from the Colorado River. This litigation extended over a period of 12 years and the final decree of the Supreme Court was not issued until March of 1964. The decision of the Supreme Court was favorable to Arizona. Using the Boulder Canyon Project Act as the basis for its decision, the Supreme Court provided that Arizona would receive 2.8 million acre-feet of an available 7.5 million acre-feet in the mainstream of the Colorado River and its tributaries above Hoover Dam, that California would receive 4.4 million acre-feet, and that Nevada would receive 300,000 acre-feet, with Arizona and California dividing equally any surplus water. Arizona was thus given the water of the Gila River without charge. Under the Decree, in years of water shortage, the Secretary of the Interior has authority to allocate and distribute the waters of the mainstream of the Colorado available in the Lower Basin. Thus, the Decree places a very heavy responsibility upon the Secretary of the Interior for, as we all know now, when the Upper Basin States use the water apportioned to the Upper Basin under the Colorado River Compact, even though it may be the consumptive use of only 6.2 million acre-feet as I indicated earlier, every year in the Lower Basin will be a water-short year unless there is augmentation of the water supplies of the Colorado River.

The Engineers tell us that, when the Upper Basin makes full use of its water, it will require 2.5 million acre-feet of new water in the Lower Basin to meet our commitment under the Mexican Water Treaty and deliver 7.5 million acre-feet of mainstream water to the three Lower Basin States. One of the purposes of the Colorado River Legislation which we are presently considering is to implement the Decree of the Supreme Court in Arizona vs. California and establish guidelines for water management throughout the entire Basin.

As I intersperse this brief history with figures on water availability, you can begin to see that this is the real problem which makes it so difficult for us to reach any agreement with respect to the Colorado River Project legislation now before us.

Now let us turn briefly to the Upper Basin States and see what has transpired there since the signing of the Colorado River Compact—

In the Upper Basin, the problem of reaching an agreement on a Compact to divide the water apportioned to the Upper Basin States by the Colorado River Compact was much less controversial than in the Lower Basin.

After many years of study and preliminary negotiations, the Upper Basin Compact was executed in October 1948 at Santa Fe, New Mexico. The States involved were the four Upper Division States plus Arizona which has a small area in the Upper Basin although it is a Lower Division State. Utah was represented in these compact negotiations by Edward H. Watson, who was then your State Engineer, and by Grover Giles, your Attorney General. The compact agreed upon gives to the State of Arizona 50,000 acre-feet annually of the water apportioned to the Upper Basin States by the Colorado River Compact. The remainder is apportioned to the other States on the basis of a percentage formula. Colorado receives 51.75 percent of the amount available; New Mexico, 11.25 percent; Utah, 23 percent; and Wyoming, 14 percent.

It seems appropriate at this point to point out that, using these Compact percentages and assuming the availability for consumptive use of 5.5 million acre-feet in the Upper Basin which, as I have already mentioned, is the best engineering estimate we have at the present time, Utah would be entitled to the consumptive use of 1,265,000 acre-feet annually; Colorado, 2,846,000 acre-feet annually; New Mexico, 619,000 acre-feet annually; and Wyoming, 770,000 acre-feet annually. When we develop the figures this way we can see that the water is not as plentiful as we had thought and that the situation in the Upper Basin is as critical as in the Lower Basin. Utah's entitlement, on the basis of these figures, will provide the water needed for the initial phase of the Central Utah Project and other expected water needs in your State during the next 20 to 25 years. However, there would not be sufficient water to meet more than half the supply for the ultimate phase of the Central Utah project as presently planned.

Before referring to the challenge we face in providing the water necessary to our future economic growth, let me fill in the remaining gap in the history of our water development.

After the Upper Basin Compact was executed, the Upper Basin States were then in position to go forward with development, and this brings us to the legislation which makes possible the event we are celebrating today—the legislation which authorized the Colorado River Storage Project and the initial stage of the Central Utah Project as one of eleven participating projects.

After more than ten years of study by the Bureau of Reclamation, the feasibility report on the Colorado River Storage Project was submitted to the Congress in December, 1950. Five storage units and 11 participating projects were recommended for immediate authorization and construction.

The first legislation was introduced in April 1953, and the first consideration by the Congress was in January 1954 when the House Interior and Insular Affairs Committee held nine days of public hearings. At that time, Utah was represented on the Committee by the Honorable Bill Dawson. One of the bills which the Committee had under consideration was the bill he introduced. There was also a bill in the Senate which was cosponsored by Senator Watkins and Senator Bennett. Utah's presentation to the Committees of the Congress in behalf of this legislation was led by George Clyde, who was then Interstate Streams Commissioner and Director of the Utah Water and Power Board, and later Governor. He is still one of your most active and effective water leaders. At those hearings we had the Echo Park issue which so closely resembles the Grand Canyon issue of today. In addition to the attack by the preservationists, the legislation was opposed by the water agencies of southern California. Their interest, of course, was in delaying Upper Basin development and thus keeping the surplus water flowing into the Lower Basin and available for their own use.

After the Committee hearings on the legislation were completed and the Committee was in the process of marking up the legislation for reporting to the House, President Eisenhower modified the previous position of the Executive Branch by recommending the immediate authorization of only two storage units—Echo Park and Glen Canyon. All of the participating projects were recommended for further study prior to authorization. Nevertheless, the Committee favorably reported Mr. Dawson's bill on May 18, 1954, with the Glen Canyon, Echo Park, and Curecanti storage units and 11 participating projects including the initial phase of the Central Utah project. The favorable vote in Committee was only 13 to 12 and, in view of the controversy and the lateness in the session, we agreed that it was best not to press for House consideration at that time.

You will recall that the 84th Congress convened in January of 1955 with the Democrats in control. The late Clair Engle of California became Chairman of the Committee and I became Chairman of the Subcommittee on Irrigation and Reclamation. Numerous bills to authorize the Colorado River Storage Project and participating projects were reintroduced in the early days of the 84th Congress. Basically, this legislation was in the same form that received Committee approval in the 83rd Congress with the exception that the Flaming Gorge storage unit was included.

Committee hearings were held in March and April, 1955, with about the same groups opposing the legislation that had opposed it the year before. Many of you will recall the attacks made on the legislation by General U. S. Grant III, speaking for the preservationist groups, and former Wyoming Governor Leslie A. Miller, as well as the southern California water agencies. However, the mood of the Committee was more favorable to the legislation. The bill was marked up during June 1955 and was favorably reported after Echo Park, by agreement, had been deleted. Those of us on the Committee and in the House at that time, including your own Representatives, Bill Dawson and Henry Dixon, reached the conclusion, after a very careful survey and appraisal of the feeling among House Members, that the legislation could not be passed in the House with the Echo Park unit included. I personally favored the inclusion of Echo Park and was disappointed that it could not be retained. As a matter of fact, I offered an amendment which provided, in lieu of keeping the Echo Park unit in the bill, for the establishment of a three-man board of eminent disinterested engineers to review the Echo Park plan and alternatives thereto and report their findings and recommendations to the Congress. This amendment was adopted in Subcommittee but was later defeated when the legislation was in Full Committee.

As approved by the Committee, the legislation included the Glen Canyon, Curecanti, Flaming Gorge, and Navajo storage units, and 11 participating projects. The Committee filed its report on the legislation on July 8 of 1955 and a rule providing for Floor debate was granted by the Rules Committee on July 21. However, less than two weeks later, on August 2, the first session of the 84th Congress adjourned and there was not time to consider the Storage Project legislation.

During the adjournment period between the first and second sessions of the 84th Congress, there were several meetings by the Upper Colorado River Commission and others which had an important bearing upon the final form of the legislation. The most important matter taken up at these meetings related to the apportionment of surplus power revenues among the States so that each State could proceed expeditiously with development of its water resources. Because of the direct relationship between water availability and development, it was my thought that the surplus power revenues should be divided in the same proportion as the remaining undeveloped water in each State. This seemed to be an equitable solution and this principle was finally accepted. For instance, under this principle, it was determined that Utah was entitled to 21.5 percent of the remaining undeveloped Upper Basin water and therefore 21.5 percent of the surplus power revenues from operation of the storage units should be assigned to Utah to assist development of its remaining resources.

Those of you who are familiar with the legislative history of this project will recall that we made a special concession to Utah on this matter of assignment of excess power revenues. I mention this because of the special meaning it has for the project we are

starting today and because I want you to know that I accepted this concession to Utah after specific studies which I requested convinced me that the arrangement was equitable. We agreed that the power revenues of the Central Utah project could all be applied toward the repayment of the cost of that project and would not have to be divided among all of the States. In other words, Utah retains all of the surplus power revenues of the Central Utah project and, in addition, gets 21.5 percent of the surplus power revenues from operations at Glen Canyon, Flaming Gorge and Curecanti.

Before leaving my discussion of this matter, I have some dollar figures that will be of special interest to you. On the basis of latest estimates from the Bureau, the Central Utah Project will produce, over the storage project repayment period, $92 million in excess power revenues to assist development in your State, and the 21.5 percent of the storage project excess power revenues over the same period will amount to about $208 million. This total of $300 million is roughly $170 million more than the amount required to repay the cost of the initial phase of the Central Utah project which means that Utah has about $170 million which can be used for future development providing water is available.

Now, let me get back to the Colorado Storage Act to quickly conclude this brief history. It can be said that as a result of the meetings and negotiations during adjournment period between the first and second sessions of the 84th Congress there was general agreement among all Upper Basin interests as to the provisions to be included in the final legislation.

In February 1956 we secured permission from the House of Representatives to reconsider the legislation we had favorably reported from the Committee. The legislation was called up in the Committee on February 8, 1956 and amended in several respects, the most important of which was the provision calling for division among the States of the surplus power revenues. The agreement with respect to this matter which had been worked out among Upper Basin interests was adopted by the Committee Another important amendment from the standpoint of project financing was a provision which made non-reimbursable the costs allocated to the irrigation of Indian lands and beyond the repayment capability of such lands.

The Committee's supplemental report was filed on February 14, 1956, and the legislation was called up in the House on February 28, 1956, in a much more favorable atmosphere than had previously existed. After three days of debate on the legislation, and coincident with President Eisenhower's announcement for reelection, the House of Representatives approved it by a vote of 256 to 136. At the time the House acted favorably, similar legislation had already passed the Senate. We went to conference on the differences between the two versions of the bill and held three meetings before final agreement was reached. The language finally agreed upon was, for the most part, the language of the House bill. The scope of the House-approved plan did not change. In other words, the Glen Canyon, Flaming Gorge, Curecanti, and Navajo storage units and the 11 participating projects including the Central Utah were approved. The $760 million limitation on funds authorized to be appropriated was retained in the Conference Report although it was recognized by the Conference Committee that this amount would not be adequate to construct the authorized units and participating projects. The time is approaching when this ceiling on appropriations must be raised.

The report of the Conference Committee was filed in the House on March 27 and was approved in both bodies of the Congress on March 28. The legislation was signed into law by President Eisenhower on April 11, 1956. Thus ends the legislative history except to say that since 1956 we have added several additional participating projects.

As I have gone through this brief history of Colorado River development, I have mentioned a few of your water leaders, and I know that there are many others who should be mentioned and who deserve a lot of credit for the fine record of your State in the water field. One that none of us will forget is William R. (Uncle Billy) Wallace, whose water career in your State bridged the entire interval between the Colorado River Compact of 1922 and the Upper Basin Compact of 1948. "Uncle Billy" gave unselfishly of his time to keep water studies and development moving in your State. He was Chairman of the Utah Water and Power Board for many years and was a most active leader in the Utah Water Users Association. He played an important role in getting our States together in connection with the Upper Basin Compact negotiations. Associated with Mr. Wallace was Tom Jensen, who was the long-time Secretary-Manager of the Water Users Association.

In closing these remarks I want to say a few words about the future of the Colorado River Basin and the challenge which we face. Our future population and economic growth will be governed by the water that is available. Full development of the resources of your State and mine depends upon the availability of the water.

The figures which I have given you on water availability from the Colorado River makes it quite clear, I believe, that our economic growth will be limited unless we find new sources of water. The time to start looking for these new sources is now. As you know, the principal problem relating to authorization of the Central Arizona Project is that its long-term water supply is dependent upon Upper Basin water or augmentation of the water supplies of the Colorado River. It seems to me that if we are to authorize further development which depends upon water other than that available from the Colorado River, then, at the same time, we must set in motion the necessary steps to find these new supplies. As I have said, the best engineering estimates we have indicate that Colorado River water will have to be augmented by 2.5 million acre-feet annually just to keep the river whole—that is, just to furnish the amounts already committed by compacts, contracts, the Supreme Court decree in Arizona vs. California, and the Mexican Water Treaty. In other words, we have divided more water than is available and 2.5 million acre-feet of new water is the very minimum amount which will resolve our immediate problem. Meaningful studies to find new sources for at least this amount must be initiated immediately. Authorization of the Hualapai dam and power development adds real meaning to these augmentation studies because power operations at Hualapai would help finance any augmentation project.

I have stated on several occasions that I believe that the first step we in the West must take to meet our long-term water needs is to adopt the philosophy of water planning on a west-wide basis, giving consideration not only to regional transfers and exchanges of water supplies but to all other means of augmentation such as water salvage, desalination, weather modification, etc. We in Colorado and you in Utah long ago accepted the principle of water resources planning on a state-wide basis and that is the reason we are celebrating today the start of a transbasin water project. Now, in my opinion, we must extend this philosophy beyond State lines and beyond river basins to make it apply west-wide. When our late beloved President Kennedy was in my State shortly before his untimely death, he said this:

"What I preach is interdependence of the United States. We are not 50 countries. We are one country of 50 States and one people, and I believe that those programs which make life better for some of our people will make life better for all of our people."

President Kennedy was referring to water resources development, and he was saying that we must plan the development of our water resources for the maximum benefit of all of our states. West-wide water planning will require the highest degree of water statesmanship and can succeed only if the states themselves get together and agree upon planning procedures which will protect the interests of all of the states while permitting our water resources to be put to full use. It is my opinion that the complicated issues involved in western water planning and development cannot be resolved by some neutral group given a national rather than a specific duty to perform.

So, today, as we reflect upon the past and celebrate the start of this great project, let us look to the future and resolve to cooperate in meeting the challenge which it presents.

THE TRAGIC OCCUPATION OF LITHUANIA

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

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

There was no objection.

Mr. RHODES of Arizona. Mr. Speaker, the week of June 12–16 again commemorates the tragic occupation of Lithuania, Latvia, and Estonia by the Soviet Union. Since June 15, 1940, when these nations were taken over by force of arms, they have suffered the terrors and anguish of slavery and captivity.

House Concurrent Resolution 416, which calls for freedom for Lithuania, Latvia, and Estonia, was adopted unanimously by the House in June 1965, and by the Senate in October 1966. Though this was a step in the right direction, it is not enough. We must now direct our efforts to carrying out the provisions of the resolution and effecting by peaceful means the withdrawal of Communist control over these brave countries, so they may be assured of the freedom and independence which are rightfully theirs.

AMERICAN NEWSPAPER WOMEN'S CLUB 35TH ANNIVERSARY

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

There was no objection.

Mr. MORSE of Massachusetts. Mr. Speaker, early this spring the American Newspaper Women's Club celebrated its 35th anniversary. In celebrating the occasion the club held a reception at the Australian Embassy at which it honored a number of Members of Congress who began their life in the same year; namely, 1932. Included in this group was the new Member of Congress from Massachusetts 10th Congressional District, the Honorable MARGARET M. HECKLER. Under unani-

mous consent, I include in the RECORD the remarks of Anne Blair, mistress of ceremonies at the event and former president of the ANWC:

REMARKS BY ANNE BLAIR

Thirty five is a very nice age. Not necessarily the most glamorous, or the best—but it's a lot better than 21, and less awesome than, say, 80, or 90, or 100. Thirty five is not exactly a ripe old age, but to those approaching it, it certainly has a sense of maturity about it . . . and to those of us on the other side of it, it really was great. And don't ever, for a single moment, agree with anyone who claims life won't really get under way for another five years.

All birthdays are good times to celebrate, and the American Newspaper Women's Club reached that nice age of 35 back on April 4—but we usurped the Queen's prerogative (especially appropriate since we're celebrating today on Commonwealth soil!) and just picked our own birthday for purposes of celebration. You'll have to admit it's a nicer day than yesterday that we chose—and who cares what happens tomorrow?

Some of our very special guests made their own debuts into this world the same year the Club did—1932—and probably didn't attach very much significance to events beyond their cradles. There were some pretty hot political campaigns raging that year—there was plenty of unemployment, and breadlines—but we did have Glen Gray and his Casa Loma Orchestra.

Even the apalling lack of air-conditioning here in Washington would be a matter to read about later in their history books. To understand a bit better the atmosphere into which our club was born, you have to remember that back in 1932 skirts were actually quite long. It was money that was short. And a principal activity of the Treasury Department was destroying imported liquor (imported from such exotic points as Appalachia and Jersey City!) instead of collecting excise taxes. There really was such a thing as a nickel cup of coffee (with the second cup free)—there were lovely trolley cars—or, if you preferred, you could ride—in style in a taxi—all the way to the Capitol for 25¢. And incidentally, the Capitol seemed plenty roomy enough for its occupants in those days. Of course the White House was here then, although it has since been entirely gutted and remodeled, and pretty much redecorated.

To round out this backgrounder, let me remind you that the specie known as "women in radio and television" hadn't quite made its appearance yet. Of course, we did have Kate Smith and Connie Boswell, but the news was being handled by men like Lowell Thomas and Gabriel Heatter, and it's interesting to reflect that the 16 women reporters who met on April 4, 1932, and organized this professional club, worked for four, separate, distinct, competing newspapers—all here in Washington.

Enough of the past—let's turn to the present, and possibly the future. As I mentioned, 1932 was a political year—and maybe some of the babies born that year breathed in a little of the strong campaign atmosphere. The year spawned one Senator, who unfortunately couldn't be with us this afternoon—Senator Edward Kennedy of Massachusetts—and 1933 is the birth year of three members of the House of Representatives.

Congressman Tom Railsback of Moline, Illinois, is a graduate of Grinnell College, and Northwestern Law School. He served as an enlisted man in the U.S. Army from 1957 to 1959, practiced law in his home state, served in the Illinois State Legislature, married, and is the proud father of four daughters. He was elected to the 90th Congress last November, and is a member of the House Judiciary Committee and is Treasurer of the 90 Club. Congratulations on being born in 1932!

Back in that year another future Member of Congress from Massachusetts was born in Flushing, Long Island. (Massachusetts and Long Island seem willing to exchange political talent. . . .) Married at 21, admitted to the Massachusetts Bar at 23, and elected to the 90th Congress from the 10th District of Massachusetts last fall, this first-termer is already an experienced attorney, a seasoned political campaigner, the wife of an investment broker, and the mother of two girls and a boy: Rep. Margaret Heckler.

Now you've met two freshmen Republican Congressmen born in 1932. To even the score a little, here's Rep. Andrew Jacobs, Jr., a Democrat, who is representing the 11th District of Indiana for a second term. He comes by his political calling naturally, because his father served the same district in the 81st Congress. Mr. Jacobs saw active duty with the Marines, was an enlisted combat infantryman with the 1st Marine Division in Korea. He is a graduate of Indiana University, class of '55, and got his law degree there, too, in 1958. He practiced law in Indianapolis before coming to Washington—and I want you to be very nice to him—because he's a member of the District Committee.

Although WPA hadn't been invented, some of the 1932 babies took an artistic bent. One of them, born in New Mexico, began drawing as soon as she could sit up in her crib. She grew up to come to Washington as an Art Major at George Washington University, and then set up her studio here. Ever since, VIP's including the President of the USA—have been simply putty (or should I say clay?) in her hands. We're all familiar with her bust of President Johnson—and the one of Chief Justice Vinson which is in the Supreme Court Building—her latest subject is Senator Richard Russell of Georgia. Now she's thrilled to be going to Italy this summer, commissioned by Congress to do a bust of Constantino Brumidi, author of the famous frescoes that adorn the Capitol. I'm sure Jimilu Mason thinks 35 is a wonderful age!

Our other distinguished 35-er has certainly learned how to capture far out assignments. Lt. Col. John S. Pustay has been flying high, literally and figuratively ever since graduation from the Naval Academy when he chose the Air Force. He's seen service in Korea, Japan, and other Far Eastern points—and after collecting medals and citations, he took the academic route for a while, collecting an MA and a PhD en route, but remaining true to the Air Force to become Ass't Dean of Faculty at the Air Force Academy. He's found time to write a prodigious amount on both military and international affairs—and produced a book with a staggering title: Counterinsurgency Warfare. He has also helped produce four small Pustays. Now, he is a White House Fellow, with the job of keeping up—sometimes, forging hopefully, a jump ahead—of Secretary of State Dean Rusk as he travels to official meetings. We're delighted he hit the right hemisphere and the right time-zone to help us celebrate being 35 . . .

Some other highflyers who are 35 wanted to be with us—but couldn't make it. We have a telegram here from five Astronauts. . . .

SCRAG: THE WEAPON OF THE WORLD REVOLUTION

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

There was no objection.

Mr. ASHBROOK. Mr. Speaker, while our diplomats and leading administration officials have been busy winning diplomatic victories, trading with the nations which supply our enemy on the battlefield, and variously building bridges of trade, culture, and so forth with the Communists, we seem to be falling even farther behind in the essential area of being able to guarantee to the American people a semblance of the ability for self-preservation—the ability for actual military defense.

Dr. Stefan T. Possony, strategy and military affairs editor of the American Security Council's Washington Report, recently wrote an article entitled, "Scrag: The Weapon of the World Revolution," which points up the latest addition to the Soviet arsenal, a weapons system with the devastating potential which brings to mind shades of Buck Rogers—and the ominous thought that we face the unilateral threat of destruction.

As Dr. Possony states:

The American public never heard of Scrag and if asked, might well confuse it with a new beach resort in Hawaii. It is even more disturbing that the present civilian "high command" of the Pentagon does not think Scrag is very important and needs to be neutralized by an ABM system adjusted to handle both orbital and missile warheads.

It is past time for the administration, and the Department of Defense in particular, to tell the American people where we stand, and even more important, to stop quibbling and start deploying an ABM defense system which military men advocate.

I think Dr. Possony makes his point very well and therefore include the article in full at this point in the RECORD.

[From the Washington Report, May 29, 1967]

SCRAG: THE WEAPON OF THE WORLD REVOLUTION

(By Stephen T. Possony)

For several years now, American strategists have been debating the question of whether it would be useful to develop or deploy nuclear space weapons. Space weapons, notably bombs or radiation weapons, could be built but need not be orbitted before the onset of a crisis; or they could be deployed in orbit to win cold or hot conflicts through space mastery, just as during the 19th century Britain was able to prevail through its dominion of the high seas.

The dominant Washington attitude has been that space weapons offer no advantages over conventional ICBM's. Some scientists have even argued that a space weapon is a "stupid weapon" because it is more expensive, less accurate, and less usable than the weapon which, according to their uncritical assumption, it replaces, namely the long-range missile. (The was the classical argument of the gun against the airplane and of the airplane against the missile. Incidentally, new weapons usually do not "replace" old weapons, but the new and the old arms join in novel combinations of mutually-supporting systems.)

As usual, when the American strategic community indulges in flights of fancy and tries to prove that a plausible weapon is neither feasible nor advisable, or in any event is too expensive, the Soviets just move forward and produce the weapon which our conformist chorus denigrates.

In the present instance, the Soviets did something which no one expected: they came up with a weapon which can be used as a normal ICBM *or* as a space bomb *or*, for good measure, as a fractional orbital weapon. This three-stage triple-in-one Soviet weapon code-named "Scrag" was announced

by Brezhnev on July 4, 1965 and first exhibited on November 7, 1965.

By the end of 1966, some characteristics of this remarkable instrument had become known. According to the best presently available information, Scrag, used as an ICBM, could carry a 50 MT warhead; in its orbital configuration, the warhead would have a yield of 30 MT. The yield of the sub-orbital assembly is unknown, but it may be estimated at about 40 MT. It is probable that with some reduction of overall yield, all Scrag configurations, including the orbital assembly, can be fitted for the delivery of *multiple* warheads. (The Soviets may not have full test-validated data on space configurations for the Scrag, hence, there could be some "bugs" yet in the weapon.)

In terms of firepower, one orbital Scrag is the equivalent of 20–30 of our Minuteman Missiles. One ICBM–Scrag equals more than five Titan II or 50 Minutemen. A major technological surprise, therefore, *has* been achieved by the Soviets, contrary to the often-voiced Pentagon conviction that significant surprises no longer are likely.

The information about this new threat became known at the very time when the United States was signing a treaty outlawing space weapons. The information was soft-pedalled, lest it disturb our greatest venture in space diplomacy. The widely acclaimed and rarely analyzed treaty was sent to the Senate. Ratification was achieved by unanimous vote. Yet, the treaty provides no defense whatever against Scrag or other space weapons. On the contrary, it inhibits the U.S. from protecting itself against space attack.

The American press did not pick up this sensational counterpoint story. Hence, the American public never heard of Scrag and if asked, might well confuse it with a new beach resort in Hawaii. It is even more disturbing that the present civilian "high command" of the Pentagon does not think Scrag is very important and needs to be neutralized by an ABM system adjusted to handle both orbital and missile warheads.

What are the additional capabilities which Scrag gives to the Soviet Union?

1. Though it is not too difficult to extend the range of missiles, each ICBM is essentially targetted against a few locations. By contrast, Scrag provides the Soviets with a genuine capability to hit every spot on earth, at very short notice.

2. In terms of target selection, missiles do not have the operational flexibility of a combined orbital, sub-orbital and ballistic system.

3. The presumed capability of Scrag to be fitted with single and multiple warheads renders this weapon effective against a whole spectrum of targets, ranging from strongly hardened poinpoint targets like missile and nuclear storage sites, to soft large targets like metropolitan clusters, and to numerous smaller and semi-hardened targets within a large area like industrial installations and airfields.

4. Soviet military thinking has been impressed by the idea that a major offensive should be run in three successive "waves" or blows. If the three different configurations of Scrag are fired simultaneously, the ICBM would hit after half-an-hour, and the sub-orbital version after one-hour-and-a half. The orbital bombs could be used for subsequent salvo, serial or individual attacks, at the discretion of the Soviet high command.

5. The orbital bombs also would be available as a strategic reserve, for days, weeks or months. Thus, they would provide the Soviets with an option to fight a short or a long nuclear war. If the U.S. has no defenses against the space threat and if it does not pursue an effective counter-force stategy, Scrag would be invulnerable while on the ground, in space, and on its target run. If so, the orbital bombs would be available after the so-called nuclear exchange in which the U.S. would have expended its nuclear weapons. In this case, these bombs would embody a war-winning nuclear monopoly.

6. The orbital weapons could be directed at targets that escaped destruction during the initial blow or at targets that were spared for the ultimate phase of the conflict. The weapons could be used to compel surrender, or else to punish the resister by destroying one city after the other. After surrender, the space weapons would facilitate occupation, allowing the Communists to take over, control or devastate the vanquished country.

7. Through simultaneous launch, the missiles and the sub-orbital configurations could be used to destroy American strategic power, whereas the orbital bombs would terminate and win the war. In a staggered-firing series, the Soviets could launch the orbital Scrags hours or days before the rest of their force is released. Whenever the Soviets estimate that a credible and overwhelming nuclear *threat* is enough to force us to our knees, they may be satisfied just to *orbit* the space bombs and rely on purely psychological effectiveness. But if a physical nuclear attack should become necessary, prelaunched Scrags could be used to negate existing warning systems and to execute very rapid pre-emptive counter-force strikes against the United States.

8. The sub-orbital and orbital Scrags provide the Soviets with a significant capability of detonating high-yield explosions at very high altitudes and through a drawn-out firing series to keep U.S. electronics and communications inoperable. With such a capability, they would be able to "pin down" our strike forces. Under certain circumstances and given certain assumptions, Scrag could be used for sustaining high-altitude X-ray screens, thus delaying or precluding retaliation. (High-altitude explosions could blind many millions of people. High-yield bombs launched from space would allow genocidal strategies.)

9. The new Scrag capability, notably the sub-orbital version, allows the Soviets to intervene with increasing effectiveness into local crises and to threaten any country that may take an anti-communist position. Further, the information on Scrag is still another item in our current intelligence regarding Soviet weapons that indicates the strategic balance is changing. This change—in the Soviets' favor—is one reason why the U.S.S.R. has not hesitated to intensify the Cold War.

10. Except perhaps for SLM systems, Scrag represents the first genuine global weapon in history. Once the U.S. has been neutralized or destroyed and provided a sufficient number of orbital warheads is left over, Scrag could force each heretofore free country to establish a Communist government and would ensure that this government remains obedient to Moscow. Scrag therefore, is the optimal weapon for the completion of the world revolution and for the preservation of Communist world rule.

11. If the U.S.S.R. elects to orbit Scrag space bombs without a concomitant missile strike, the U.S., depending upon the magnitude of the unexpected Soviet space deployment, might suddenly find itself in a posture of accentuated military inferiority. (For example, 50 Scrags may position 250 to 500 additional warheads.) Given present U.S. capabilities, the Scrags could not be shot down; if we intercepted some of them, the Soviets might elect to regard such action as U.S. aggression. If, upon a sudden Soviet space deployment, we attack the U.S.S.R. forthwith, regardless of whether we still have the strength to win, we could invite our own physical destruction. If we did not attack, the Soviets could destroy us politically. Thereupon, the orbital bombs could blackmail one country after the other. Ultimately, and entirely in accordance with the Kremlin's preference, the world revolution would be completed by "peaceful means."

Thus, Scrag will increase the effectiveness of nuclear psychological warfare; enhance the effectiveness of Soviet physical nuclear strategy; possibly deter or prevent counterstrikes and retaliation; conceivably maneuver the U.S. into self-destruction or surrender, as well as facilitate and perhaps bring about world conquest.

The Soviets are deploying Scrag simultaneously with their ABM weapons. The resulting strategic imbalance is dangerously aggravated by these other gaps in our own capabilities: Our erstwhile numerical superiority may be giving way to quantitative inferiority. Our Minuteman missiles allow only a very narrow target selection and are not capable of taking out strongly hardened or large area targets. We do not have up-to-date weapon systems for multiple or serial strikes, nor can we preserve portions of our main strike forces as a strategic reserve. We are not prepared to fight a long war; once our bombers are completely obsolete, attrited, deactivated or destroyed in battle, we will lack a strategic system suited for winning the terminal phases of war. We also lack offensive and defensive space weapons. And we refuse to build defenses against missiles, and to protect three-quarters of our population against the hazards of nuclear war.

In summary: The United States is confronted by an entirely new and dramatically augmented threat. The ominous development of Scrag* was not predicted by U.S. intelligence nor by U.S. computers, let alone by Messrs. McNamara and Brown. Since our country continues to see no evil and hear no evil, time is beginning to run very short. It just may be that we are too gullible, too bemused, and too disinterested to survive.

PROTECTION OF RIGHTS FOR GOVERNMENT EMPLOYEES

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the gentleman from South Carolina [Mr. WATSON] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. WATSON. Mr. Speaker, the present administration has been highly vocal in its support of so-called civil rights legislation but, ironically, it has been amazingly silent in regard to advocating a bill of rights for civil service employees.

During this past session, I pointed out that a legislative must is enactment of a bill of rights for our civil service employees. Today I am again introducing a bill to attain that end. This bill is comparable to that introduced by my colleague in the Senate, the gentleman from North Carolina [Mr. ERVIN].

I fail to see any reason why the administration is not giving this legislation its support. When a person takes a position with the Federal Government, this in no way should impair his rights as a free citizen. Yet, in all too many instances, we have seen examples of where the constitutional rights of Federal employees are being violated.

In introducing this bill, I want to commend those diligent members of the press who are constantly pointing out examples of where Federal workers have been subjected to invasions of their privacy and undue harassment by overly zealous bureaucrats. In this brief time, I would not

attempt to cite these examples, but I am certain all of us are aware of their existence. Washington area papers remind us almost daily of various infringements upon the rights of Government employees.

One of the strongest features of this bill is its provision to create an independent Board of Employee Rights. This Board will enable employees to lodge their complaints without fear of reprisals and, additionally, the independent nature of the Board will free it from administrative and executive interference.

Legislation of this type has widespread support. It is completely bipartisan and represents a real attempt to give civil service employees the same employment rights enjoyed by those in the private sector. Administration support or not, I urge its passage immediately.

PAUL SCHUTZER AND TED YATES

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

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

There was no objection.

Mr. REID of New York. Mr. Speaker, the two courageous and talented American newsmen who gave their lives under dangerous circumstances in the Near East served in the highest traditions of journalism. Paul Schutzer, of New Rochelle, N.Y., a Time-Life photographer, and Ted Yates, a television producer-director for the National Broadcasting Corp., were killed while covering the fighting on two separate fronts in the Near East yesterday.

Mr. Schutzer joined Life magazine in Washington in 1956 as its youngest staff photographer. His last assignment was representative of the courage and professionalism he evidenced throughout his career. Mr. Schutzer not only volunteered to go to Israel to cover the current crisis, but insisted that he would go even if Life did not send him.

He was riding in one of the leading armored halftracks in an Israel armored column counterattacking across the Gaza strip when his vehicle was hit by an antitank weapon and burst into flames.

Mr. Schutzer, who received numerous prizes for his work including the White House Photographers Grand Prize, was a member of the crack Life team that covered the Lebanon crisis of 1958; he photographed the building of the Berlin Wall, and covered the Algerian war; he made two trips to Cuba in 1961 and spent 24 hours in a Havana jail; and he photographed most of the country's political notables.

Ted Yates sustained a fatal wound on Monday from gunfire in the Intercontinental Hotel in the Jordanian sector of Jerusalem. His distinguished career as a combat correspondent and producer of television documentaries took him into countless hazardous situations in the pursuit of a story. Mr. Yates was the recipient of many awards, including citations for his coverage of the crisis in the Dominican Republic and a recent news special on social and political unrest in Guatemala, Colombia, and Peru. I had occasion to work with Mr. Yates and admired and respected his talents and commitment to his profession.

My deepest sympathy is extended to Mrs. Bernice Schutzer and her two children, Dena and James, and to Mr. Schutzer's parents, Mr. and Mrs. Hyman Schutzer of Long Island, as well as to Mrs. Yates and her family. The dedication and high professionalism of these men will be long remembered by the American people.

THE MIDDLE EAST CRISIS

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

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

There was no objection.

Mr. BOB WILSON. Mr. Speaker, the same hand that is directing the killing of Americans in Vietnam is directing the crisis in the Middle East from the Kremlin. The same fleet which bumped our naval vessel in the Sea of Japan a few days ago is shadowing our fleet in the Mediterranean, 10 additional Russian warships having just passed through the Dardanelles.

The same voice which attacks the U.S. defense in Vietnam attacks Israel before the United Nations Security Council. I speak of the voice of Soviet Russia.

I suggest to the House that we had better watch for some deal with the Russians at our expense as the price for peace in the Middle East instead of carrying out our treaty obligations to maintain the freedom of the seas.

I would recall to you that the current crisis in the Middle East follows by only a few days the demand by Russian Communist Party Chairman Leonid Brezhnev "for the removal of the U.S. 6th Fleet from the Mediterranean Sea."

It is painful to say, "I told you so," but the fact that the United States withdrew the missiles it had given Turkey through NATO as one outcome of the Cuban missile crisis in late 1962, has forced the Turks who control the Dardanelles to compromise with the Russians.

These missiles had been zeroed in on the Russian oilfields, and their presence assured Turkey's safety from Soviet bluster, threats, or action. Premier Khrushchev called publicly for the removal of these missiles just as his successor Brezhnev is now calling for the U.S. Fleet to get out of the Mediterranean. The removal of our missiles from Turkey makes possible the present demand about removal of our fleet.

We now have an object lesson of the danger of appeasement and of the compulsion on the part of too many in this administration to appease. The results speak for themselves.

CRISIS IN THE MIDDLE EAST

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the gentlewoman from Massachusetts [Mrs. HECKLER] may extend her remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mrs. HECKLER of Massachusetts. Mr. Speaker, since I was out of the country on official business of the Government Operations Committee when the Middle East crisis erupted, I would like to state for the RECORD that, had I been present, I would have signed the statement of policy circulated among the Members of Congress by the gentleman from New York, Representative EMANUEL CELLER.

It is quite apparent that the present situation in the Middle East has been brought about by a combination of factors—Nasser's struggle for power within the Arab world, his expressed goal to annihilate the State of Israel and Russia's desire to secure a dominant influence in the Middle East.

In light of the existence of the Tripartite Declaration of 1950, the position of the United States should have been considered clear cut. Since 1950, our Government has made a deep commitment, reiterated by Presidents Truman, Eisenhower, and Kennedy, to take steps to preserve peace and stability and to unalterably oppose aggression by any of the states of the Middle East.

Historically, we have had a close and special relationship with the State of Israel from the time of its inception. Consequently, I rise to protest against the administration's declaration of "neutrality" in this great crisis. While our technical status as nonbelligerents may be appropriate to protect the safety of Americans in the area, our position cannot be "neutral" if we are to live up to the commitment made by past Presidents.

There is no doubt that, to date, Israel has won "the first round." Israel has bled, but America and the free world have also been the winners. The adoption of the cease-fire resolution by the United Nations indicates a capitulation of the silent aggressor in this strife—the Union of Soviet Socialist Republics. Israel, however, has won wars before but has yet to win at peace.

In accordance with our previous commitments, I would urge that the influence and power of this great Nation be brought to bear on all future negotiations to see that Israel becomes the victor in both war and peace.

It would be a tragedy if, 20 years after 6 million Jews had been extinguished on the European continent, the conscience of the world was so untroubled that they were not even entitled to a strip of the earth's surface to occupy as their national homeland. This is still at stake. This current conflict bears wide application—beyond the concerns of merely the Israelis or the Arabs.

In the words of a great religious and civic leader of Massachusetts, Rabbi Baruck Korff:

> Think and think some more before our nation reaches a point of no return and is incapable of withstanding Communist aggression.

TRIBUTE TO THE UNIVERSITY OF MICHIGAN

The SPEAKER. Under a previous order of the House, the gentleman from Michigan [Mr. ESCH] is recognized for 60 minutes.

Mr. ESCH. Mr. Speaker, it is my privilege to lead a tribute by many of our colleagues to the University of Michigan as it observes its 150th anniversary. We who have been privileged to attend this outstanding university and others who represent the State where it makes its home, stand today to reflect on its heritage, its contributions, and its future.

We share deep pride in being associated with an institution that has contributed so much to her State, her Nation, and, indeed, the entire world. Having earned three degrees from Michigan and having made my home in Ann Arbor for nearly 20 years, I hesitate to use such a cold and empty term as institution, for the term institution certainly does not reflect the dynamic quality which is Michigan. No, the University of Michigan is much more than an institution.

Our Michigan is people, most of all—people concerned with problems, people striving to learn, to create, to discover, and to contribute.

Our Michigan is a meeting house for scholars of the liberal arts who seek to gain from our heritage solutions for contemporary problems.

Our Michigan is a vast research complex developing new methods and ideas in the fields of science and technology.

Our Michigan is a community for the creative who contribute so much to the continuation of the living and thriving American cultural scene.

Our Michigan is a forum for free expression in which the controversies of the day are given searching and thorough discussion and debate.

Our Michigan is a catalyst welding together diverse elements of our society to work out solutions to the problems of all sectors, both public and private.

And finally, Mr. Speaker, our Michigan is responsible for contributing leadership to the Nation, both past and present. Today it counts in its ranks some 21 Members of Congress and countless others in high national positions.

Indeed, we in this high assemblage cannot possibly do justice to the diversity and greatness that is our Michigan. But, Mr. Speaker and Members of the House, I commend to you and to the entire Nation the following statements of our colleagues who are honored to be associated with the University of Michigan.

Through this means, we call widespread attention to the past contributions, the present high stature, and the great expectations of the University of Michigan during this, its sesquicentennial year.

Mr. GERALD R. FORD. Mr. Speaker, the University of Michigan has long been recognized as one of the truly great institutions of higher learning in America. As an alumnus of the University of Michigan, I therefore take great pride in adding my voice to those who this year are saluting my alma mater on the occasion of her 150th birthday.

I salute the University of Michigan for its leadership in education, for recognizing that a well-trained and dedicated teacher is the most important conduit in the learning process, for producing some of the finest doctors and dentists in the world, for concentrating on research in the vitally important field of public health, for turning out excellent engineers and scientists fully capable of tackling the complex tasks of our scientific and technological world, and, not least, for growing with the Nation and its people.

The University of Michigan has only one standard—excellence. Its doors swing open on the world and to the world. It is cosmopolitan. Its horizons are unlimited.

It is in this atmosphere that the University of Michigan has made contributions in the area of graduate education that have won it wide acclaim. The American Council on Education, in its 1964 assessment of quality in graduate schools, placed Michigan among the top 10 in the country. This is a status enjoyed only by Michigan and California among the public universities.

Mr. Speaker, it is with great pleasure and a distinct twinge of nostalgia that I join with my Michigan colleagues today in saluting a great school, a universally recognized center of learning, my own University of Michigan.

Mr. BROWN of Michigan. Mr. Speaker, we salute the University of Michigan for demonstrating a new level of public-private cooperation in the financing of higher education.

The university's campaign to secure $55 million in private gifts has been a resounding success. In fact, completion of the goal was announced 8 months ahead of the original time schedule. This was the largest campaign for private support ever undertaken by a tax-assisted university, and will doubtless be regarded as a precedent by many others.

Significance of the campaign, beyond its immediate usefulness to the university, lies in its demonstration of the degree to which a public university may call upon private individuals, foundations, and corporations for additional support which may provide the "margin of excellence." Michigan is no newcomer to this field, for in past years private gifts have supplied nearly half of its physical plant and have provided it with one of the largest endowments among State-supported institutions.

One of the tests of an educational institution is the degree to which it receives support from a wide spectrum of our society. This test the University of Michigan has met, and certainly the success of the fund-raising program is evidence of that fact. Education, if it is to meet the needs of our society, must be supported not only by the taxing bodies of our State and Federal Government, but also by such other elements of our society as business and industry and private philanthropy.

Mr. CEDERBERG. Mr. Speaker, we salute the University of Michigan for its distinction and contributions in the area of graduate education. The American Council on Education ranked Michigan among the top 10 graduate schools of the Nation.

Within the State of Michigan, the University of Michigan awards approximately half of the advanced degrees given by all the universities of the State. It awards master's and doctor's degrees in 167 fields of specialization. Recently, Michigan was selected as one among 10 graduate schools in the country to receive grants from the Ford Foundation totaling $81 million to undertake improvements in programs leading to the Ph. D. degree. The graduate school also ranks high in its ability to attract winners of graduate fellowship competitions. Among Woodrow Wilson scholars, Michigan ranked third in preference nationally, 1963–66, and this year ranked second. It ranked seventh nationally in 1967–68 among National Science Foundation traineeships. It is second nationally in awards of NDLF title VI fellowships in language.

Within the graduate school are several notable research and service units. Among them is the Rackham arthritis research unit, committed to basic and clinical investigation for the rheumatic diseases and to the provision of advanced training for workers in this field. Another such organization is the Institute for Human Adjustment, providing research and professional training in psychology, in geriatrics, and in dealing with a wide range of problems and concerns in urban communities and economically and emotionally deprived children.

Mr. DELLENBACK. Mr. Speaker, I am pleased to join in today's salute to the University of Michigan, with particular emphasis on the University of Michigan law school, one of the great law schools of the Nation. I commend it particularly for being among the pioneer law schools of this Nation in an early recognition of the broadened scope of law in world affairs, and of the resultant need for education in international and comparative law.

Michigan's law school is one of the oldest in the Nation—indeed, the oldest west of the Atlantic seaboard. Like most of the Nation's topnotch law schools, for many years it emphasized the teaching of English and American precedents and their impact and involvement in the American scene. Michigan's outreach beyond this began with some attention to the civil law of Rome and the modern European codes based upon it. It was my personal pleasure to have studied in this area under Prof. Jack Dawson, one of the Nation's most brilliant and able law professors. Since the close of World War II, the curriculum has branched further and further into the fields of world trade, worldwide financial transactions, legal arrangements that transcend international boundaries, and even the exploration of outer space.

Some 15 years ago, Michigan began the steady enlargement of its instructional and research programs in international and comparative law. Among courses now taught are those in "Tax Affairs of American Corporations Engaged in Foreign Trade," "Antitrust Law in the European Common Market," "Compara-

tive Criminal Procedure," and "International Organization Law."

Research carried on by faculty and visiting scholars has also broadened to reflect this world view. Among the distinguished publications of the law school in the past decade have been books on Soviet legal institutions, on American enterprise in the European Common Market, on the growth of law relating to the use of atomic energy, and on foreign personal representatives.

A distinguished past is a cause for pride on the part of any university. The university which will deserve to be called great in the future, however, is the one which recognizes the nature of the world in which it lives, and, at the same time, sees the dream of and the prospects for the future ahead of it and makes certain that the education carried on within its halls helps train its students to meet both the needs of the present and the needs of the future. By this measure Michigan has been and bids fair to remain a great university.

Mr. DIGGS. Mr. Speaker, we salute the University of Michigan for its fundamental research on political behavior. The studies conducted by its survey research center have provided important new understanding in this field, and the book, "The American Voter," written by members of its staff, is a landmark publication.

The survey research center is also responsible for nationwide studies of consumer plans and behavior, and its quarterly reports on consumer intentions are eagerly awaited by both business and Government. These reports, based on interviews with a national population sample, have been issued over a period of two decades and give business and Government economists an invaluable source of information.

The survey research center is part of the university's Institute for Social Research, now recognized as a world leader in scientific research on the behavior of man. Its studies have ranged over such topics as political behavior, consumer attitudes and plans, management procedures and techniques in business and labor, juvenile delinquency, effectiveness of different types of group organization, and the ways in which scientific discoveries are absorbed into the common body of knowledge and put into use.

Several similar centers of social research now are established at other universities, but Michigan led the way in 1946 when it established the Institute for Social Research.

Mr. DINGELL. Mr. Speaker, I am greatly pleased to join other Michigan Members of the House of Representatives in saluting the University of Michigan as it celebrates its 150th anniversary. During its century and a half of existence, the university has earned for itself a reputation of academic excellence of which the entire State of Michigan is proud.

The university had its beginning in Detroit in 1817 when the territory of Michigan had but 7,000 residents. In 1837, the campus moved to Ann Arbor, then a small community of some 2,000 residents. Michigan and its university have both grown and prospered tremendously during this last century and a half. The university has proven itself worthy of the grand vision of its pioneering founders by adapting to new circumstances so that it could meet the educational and intellectual needs of the growing State.

The growth of the university is evidenced most spectacularly at its main campus in Ann Arbor, but there have been developments in other areas of which I am particularly proud. I refer, of course, to the Dearborn campus of the University of Michigan.

The Dearborn campus is a small urban school which combines the best features of a great university and a small college. It is an integral part of the University of Michigan, and shares with the main campus in Ann Arbor the 150-year-old traditions of academic excellence which have given the university a richly justified international reputation. The standards for admission and graduation are the same, and the degree the Dearborn campus student receives when he graduates is a University of Michigan degree, identical in stature and prestige with all other UM degrees. At the same time, however, the Dearborn campus is a small college, and its students share the friendly informality, the familiarity, and the close student-faculty relationships which give small colleges their charm. Campus students have available to them the many services available in the charming and viable smaller city of Dearborn. Additionally, since the campus is located in close proximity to Detroit, it also offers its students access to the excellent resources of a great city. For all its closeness to the metropolis, however, the Dearborn campus has an almost rural setting, being built amid the wooded acres of the famous Henry Ford estate, Fair Lane.

The campus has three academic divisions: literature, science, and arts; engineering; and business administration. In the first of these, L.S. & A. the campus offers degree programs in 10 distinct disciplines, as well as a teacher certification program of special merit. Liberal arts students comprise nearly half the student population, and the L.S. & A. faculty is the largest of three divisions. The division is able to offer many special advantages to its students, among them the opportunity, for science students, to have access to excellent, modern laboratories and to an outdoor environment which is so rich in wildlife and plantlife that it makes a kind of natural outdoor laboratory. For prospective teachers and social scientists, several programs which enable the undergraduate student to do actual field work in surrounding cities are of unusual value.

The engineering and business administration divisions are both organized completely on the cooperative education plan. Under this system students alternate semesters of study with equal periods of work internship in businesses and industries throughout the country. The advantages to the student are many: he gets extensive on-the-job experience before he ever graduates; he has a rare opportunity to apply his education immediately—which serves two purposes: to make that education more concrete and meaningful to the student, and, from the school's standpoint, to keep the educational process current and in constant touch with reality; it enables the student to reach an early understanding of his own goals and abilities; and, in the process, it enables the student to earn a substantial amount of money—in many cases enough to make his college education essentially self-supporting.

The participating companies benefit greatly from the co-op system as well, as evidenced by the fact that in any given semester the school receives offers of several times as many co-op jobs as it has students. Further testimony to the success of the Dearborn campus co-op programs is offered by the fact that starting salaries for its graduates are among the highest in the Nation every year.

This degree of success is remarkable for a campus which is so young as the Dearborn campus—which held its first classes with a handful of students in 1959. This success has not come as a surprise, however, because it was almost assured by the nature of the campus' origin.

The University of Michigan established its Dearborn campus in response to growing needs of local residents and industry. Industry provided complete cooperation to the university. Ford Motor Co. approached the university in 1956 with a set of serious problems. They were: an inability to find a sufficient supply of qualified manpower, and an inability to retain the qualified manpower they were able to hire. The cooperative education program was formulated as an answer to these needs. To fully serve the Dearborn area with a strong, representative campus of the University of Michigan, the liberal arts division was made an integral part of the plans, and Ford gave the university a large parcel of land on the Fair Lane estate, including the Ford mansion, and several million dollars to establish the Dearborn campus.

The campus was established as a senior college, admitting students only at the junior level and above, and it has since worked in close cooperation with its educational neighbor, the Henry Ford Community College. Enrollment has grown to over 700 students since 1959; a graduate engineering program has been added to the curriculum. The campus also serves the community as a center for adult education classes.

Fair Lane, the home of the late Henry Ford, has been entirely refurnished since it was given to the university in the late fifties. It serves the university and the Detroit-Dearborn area now as the Fair Lane Conference Center, a private meeting place for groups small and large from the university and the community at large. It is also the home of a new international summer music festival, the Fair Lane Festival, and it has been designated a National Historic Landmark by the U.S. Department of the Interior.

The Dearborn campus is thus off to a most vigorous start. As the years go by, I am confident that this new campus will

succeed in emulating the great achievements of its parent at Ann Arbor.

Mr. RUPPE. Mr. Speaker, we salute the University of Michigan for its research and instructional programs which relate to the Great Lakes. Through fundamental studies of the lakes themselves, through research on water quality and water purity, and through research and training pertaining to Great Lakes ships and shipping, the university has contributed substantially to the health and economic welfare of its own region.

Its Great Lakes Research Institute, with a fleet of four research vessels, is making long-range studies of the lakes—the quality of the water, the sediments at the bottom of the lakes, the plant and animal life within the waters, the winds and currents which affect the distribution of water. These studies are basic to wise use of this great fresh water resource upon which some of our most populous States depend.

Through the university's School of Public Health, several studies on the problems of water pollution are underway. One of these has involved the construction of a "miniature river," where all aspects of pollution and pollution abatement may be studied.

And, through its department of naval architecture and marine engineering, the University of Michigan has contributed to the design of the great ships which ply the lakes and to the training of engineers and designers responsible for future developments of shipping.

One of the songs beloved of the Michigan glee club and of the university's alumni is entitled "Goddess of the Inland Seas." The work of Michigan faculty and students is doing much to earn for the State and the university the continuation of that title.

Mr. WILLIAM D. FORD. Mr. Speaker, I am proud to pay tribute today to the University of Michigan, one of this Nation's outstanding universities, which this year is celebrating its 150th anniversary.

I am particularly proud of Michigan's stature as an international university, and for its tradition of enrolling students from countries throughout the world. Michigan today has one of the largest international enrollments among American universities.

This international standing dates back to the university's early days. In 1880, James B. Angell, then president of the university, was sent by the American Government to head a delegation to China to negotiate an agreement regarding emigration of Chinese laborers.

As a result of friendships which he formed in China, students in that nation began to come to the University of Michigan. Students from China, from Asia, and from all other parts of the world, have been coming to Michigan, ever since that time.

The vice chancellor of the Chinese University in Hong Kong, on a recent visit to Ann Arbor, commented:

> The University of Michigan has for years been a truly world institution, and through its graduates and faculty it has had a profound influence on the development of many countries.

The vice chancellor also pointed out that the Michigan Alumni Club is the largest American university alumni association in Hong Kong.

The University of Michigan also conducts a broad training and research program to study nations of the world. It has five area centers—for Chinese studies, Japanese studies, South and Southeast Asian studies, Near and Middle Eastern studies, and for Russian and East European studies. These centers emphasize the languages, culture, economy, and history of these areas.

As a further indication of Michigan's international standing, the International Congress of Orientalists, a world group of specialists in the Asian world, will meet next August at the university—their first meeting in over a century in the United States.

The worldwide fame of the University of Michigan has brought fame and prestige to the State of Michigan, and to our Nation. I salute this fine university on its 150th birthday, and wish it many, many more years of continued success.

Mr. HARVEY. Mr. Speaker, it is with particular personal pride an honor to join in this special tribute to the University of Michigan which is celebrating its 150th anniversary during 1967. It was my privilege to enter the University of Michigan in 1940 shortly after high school graduation. As was the case for many, military service in World War II delayed my educational goals for a period before finally attaining my law degree from the University of Michigan law school in 1948.

So, I am honored to speak with personal knowledge on the many accomplishments of this great educational institution. Today, in these brief remarks, I would like to bring to the attention of all Members the University of Michigan's leadership in education and research in the vitally important field of public health.

For example, the university was the first in the country to give a course in "sanitary science," in 1883, and its hygienic laboratory was the second such laboratory established in the world.

From these beginnings has come today's School of Public Health, one of little more than a dozen such schools in the Nation. Enrollment approaches 400 students, who come from virtually every State in the Union and from 26 foreign countries.

Michigan's School of Public Health was chosen a number of years ago to conduct the nationwide field trial of the Salk polio vaccine, resulting in the verdict that the vaccine was safe and effective. Its faculty researchers did the basic work on development of flu vaccines, and one of its faculty helped develop the whooping cough vaccine. In the past several years, the school has organized a broad-scale program of research and training on one of the world's most important problems: population planning. Extensive studies are also underway on water resource problems, radiological health, respiratory viruses, industrial health, and aspects of automotive safety.

Public health, as the very name implies, is a matter of vital public concern, and this is evidenced by the support given to the Michigan program by the Federal Government. Federal funds are helping to construct a much-needed addition to the School of Public Health building, and many national public health agencies provide fellowships and research funds.

Mr. HOSMER. Mr. Speaker, we salute the University of Michigan for its leadership in research and training in the peaceful uses of atomic energy. Shortly after World War II ended, the university established the Michigan Memorial-Phoenix project as a memorial to those of its faculty and students who lost their lives in that conflict. The purpose of the memorial was to conduct research upon the peaceful applications of the most awesome and potentially destructive force man had at his disposal—atomic energy.

Entirely supported by donations from individuals, corporations, and foundations, the Phoenix project includes several important laboratories, including one of the largest college-owned nuclear reactors in the country. The reactor is extensively used by industrial researchers as well as by students and faculty on campus. The University of Michigan College of Engineering was the first in the world to offer a degree program in nuclear engineering, and this program now attracts students from many foreign countries as well as from all parts of our own Nation.

University of Michigan researchers have pioneered in the use of atomic energy in medicine, in radiocarbon dating of archeological artifacts, in the preservation of food by irradiation, and in a variety of industrial applications, as well as in theoretical physics. The bubble chamber, used for the detection and tracking of elementary particles, was developed at the University of Michigan and won for its inventor, Donald Glaser, the Nobel Prize in physics.

As a member of the Joint Committee on Atomic Energy of the Congress, I am particularly aware of the fine contributions being made by the university in this important area of technological advancement.

Mr. HUNGATE. Mr. Speaker, we salute the University of Michigan for the enrichment it gives to the lives of the people of its State through music. Home of one of the Nation's outstanding schools of music, the university also offers a year-round series of concerts, recitals, and festivals by professional musicians from throughout the world.

Its annual May festival, featuring the Philadelphia Orchestra and noted soloists, is known throughout the musical world. Each year, the professional offerings include approximately 50 concerts by orchestras, chamber groups, choruses, opera, and instrumental and vocal soloists.

The university faculty and students add to this rich cultural program tremendously by their own series of recitals and concerts. The school of music faculty is made up of professional musicians, each of whom presents at least one recital for the community each year—

all, we might note, without charge. Individual students in performance fields also give their recitals, and the university band, orchestra, choir, and glee club are frequent performers.

The university has also had a role of which it can well be proud in the establishment and maintenance of the National Music Camp, at Interlochen. This famous summer program for musically talented young people has had an impact upon musical education throughout the Nation. Founded by the late Dr. Joseph Maddy, a longtime member of the Michigan faculty, Interlochen is the site of university level summer courses and seminars.

Wherever music is played, the name of the University of Michigan is known. And whenever William Revelli directs the university band in Louis Elbel's "The Victors," every listener is a Wolverine.

Mr. HUTCHINSON. Mr. Speaker, I am proud, indeed, to join with other members of the Michigan delegation and alumni of the University of Michigan here in saluting that great university on its 150 years of service to the people of Michigan and of the whole United States and, indeed, the world.

The University of Michigan traces its beginnings to the establishment of a small private institution located in Detroit in 1817. It became a State university in 1837 soon after Michigan's admission to the Union. Its reputation as an outstanding institution of learning was established in the late 19th century and, during the 20th century the University of Michigan has become among the foremost in America.

I am proud to be counted among the graduates of that great university, having been a student there for 6 years in the 1930's where I earned two degrees, one in literature and the other in law. Later as an officer in the Army during World War II, I was sent back to Ann Arbor for a period to take a course in the Army judge advocate generals school which was then established at the university's law school. In subsequent years my interest in the university and its preeminence for scholarship continued because of my duties in the Michigan Legislature where I sat on both the appropriations and education committees in the State senate.

Mr. Speaker, a university is properly a place of learning, a repository of knowledge. It maintains disciplines of excellence. It should require high standards and propriety of conduct. No one is compelled to attend a university, and to study there should be a matter of privilege, not of right. If a student so strongly disagrees with a university's standards or its disciplines that he cannot conform, he should leave it and seek elsewhere for an environment more to his liking. I disagree with those who seek to make our great universities battlegrounds for social revolution. I believe that every university in America has a duty to require a certain standard of social and personal conduct among its students just as it has a duty to require certain standards of scholastic excellence.

Mr. McDONALD of Michigan. Mr. Speaker, this year marks the 150th anniversary of the founding of the University of Michigan, established in Detroit in 1817. In 1837, when Michigan was admitted to the Union, the State legislature created a board of regents for the young university and moved its site to Ann Arbor.

During the ensuing period the university has matured in a magnificent fashion until today it includes three campuses and nine extension centers. It serves in excess of 30,000 students, and the volumes in its libraries total in excess of 3,350,000 books. The University of Michigan has been listed among the top 10 colleges selected by national merit scholarship finalists, which is indicative of a longstanding and continuing traditon of academic excellence both in its undergraduate and in its graduate and professional schools.

Much credit for this tradition of educational excellence at the University of Michigan must be attributed to the man who in many respects stands as the originator of that tradition—Dr. Henry Philip Tappan, president of the university from 1852 until 1863. It was through the extraordinary foresight of this man, that the University of Michigan became an early center for innovative and creative undertakings in higher education. His wisdom, his courage, and his dedication to a broadened concept of higher education made him challenge the accepted norms in the business of higher education.

Dr. Tappan's educational philosophy, the result of his own experience as a student and teacher, made him uniquely suited for the highly influential role he played in the development of the University of Michigan. Trained for the ministry at Union Theological Seminary, and later, for reasons of health, going to teach in the State University of New York, he extracted from his experience in public and private institutions of higher learning, a distinct notion of the need for stronger State-supported universities and colleges. Resigned to the entrenched preeminence of private universities in the East, he saw a unique opportunity for development of the kind of public institution he envisioned at the infant University of Michigan.

The reforms he instituted in his presidency at Michigan, the programs he initiated, may seem to us today commonplace. But in his time they were often revolutionary. For example, he insisted that the scientific disciplines be given attention in the same degree as the humanities, and he instituted the first really advanced work in sciences and organized professional education programs. He disavowed the time-honored system of residential dormitories for students, insisting instead that they should live in private homes and boarding houses, and that the State should instead invest its money in instructional facilities. He believed that the university should strive for excellence in faculty selection. And while he knew it to be a time-consuming process, he pointed the university in the direction of the establishment of a general minimum standard of achievement for entrance into the university.

The University of Michigan, after 150 years, stands as a tribute to the American educational dream. Such a tribute is possible because of the dedication and service of men like Henry Philip Tappan.

Mr. O'HARA of Michigan. Mr. Speaker, during 1967 the University of Michigan is celebrating its sesquicentennial. This observance has a special meaning to me since I am an alumnus of the University of Michigan as well as a graduate of its law school. It is also a significant occasion for the entire Nation. The university has been attended by students from all parts of America and its contributions to scholarship have enriched our culture and improved our way of life.

The founders of the University of Michigan, in establishing the school, conceived and put into practice revolutionary concepts of public higher education. The school's founders—a Protestant minister, a Catholic priest, and a judge—argued that a State has an important responsibility to provide its citizens with a complete educational system, including institutions of higher learning. They believed that tax support should be provided for public universities and colleges, and that the cost of education to the student should be relatively low.

The principles upon which the University of Michigan was founded are now widely accepted. Forty-eight States have institutions of higher education based on the pattern pioneered by Michigan. The University of Michigan, during its 150-year history, has proved the soundness of its founders' foresight.

The university has been an educational innovator. It offered the first courses in modern languages and sciences in an otherwise classical curriculum; it had America's first chemical laboratory building; its first seminar courses; the first college courses in forestry and journalism; first coeducational university program and first college of education. There are today 215,000 living graduates of the university.

As the University of Michigan enters its 151st year, I think it has earned our congratulations for a job well done. I am confident that we can depend upon the university to continue in the future, as it has in the past, to contribute in a meaningful way to the intellectual, social, cultural, and economic progress of our Nation.

Mr. RIEGLE. Mr. Speaker, as an alumnus of the University of Michigan, I am honored and proud to salute my alma mater on its 150th anniversary.

I owe a special debt of gratitude to the university for its vision and foresight in establishing the Flint College of the University of Michigan. It has been by means of this community-centered branch college that so many young men and women have been able to work their way through college. Without this opportunity, it is doubtful that I would have been able to complete my education and today serve in the U.S. House of Representatives.

So, it is with pride and gratitude that I salute my alma mater—the University of Michigan—and wish it a continuation of its record of excellence in the next century and a half.

Mr. VANDER JAGT. Mr. Speaker, we salute the University of Michigan for

leading the Nation in aerospace engineering education. Just over a half century ago, this university offered the world's first course in aeronautical engineering, and today its graduates in this field have leading roles in every area of aeronautics and astronautics.

Six of its graduates, including the late Col. Edward H. White, are among our astronauts. Others occupy important positions in NASA and in the companies which design and build our aircraft and spacecraft.

It was in 1914 that Prof. Felix Pawlowski came to the United States and sought a position in an American college for the purpose of teaching aeronautics. He was turned down by college after college, all of which considered his proposal fantastic—until he wrote to the University of Michigan, whose dean of engineering, Mortimer E. Cooley, hired Pawlowski for $800 a year to teach that first course in aeronautics. It attracted seven students, four of them from other countries. By 1917, interest in aeronautics—perhaps stimulated by the Lafayette Escadrille—had grown enough for the University of Michigan to grant its first degree in aeronautical engineering. Since then, Michigan has awarded nearly 3,000 degrees in aeronautical and aerospace engineering. Its facilities, not only for education but also for research, in these areas are among the Nation's best. In 1964, just after their Gemini IV flight which included America's first walk in space, Astronauts Edward White and James McDivitt returned to their alma mater for a visit which included the dedication of a NASA research laboratory on the campus.

Mr. NEDZI. Mr. Speaker, this year the University of Michigan is celebrating its 150th anniversary.

For a century and a half the University of Michigan has had a beneficial impact far beyond the confines of its gracious campus in Ann Arbor. In this century, and particularly in the shrinking world of the postwar period, the university's impact has become international. Over 1,500 men and women of the present student body of 33,000 are from abroad. And many of the American students are destined to work and live overseas during some period of their lives.

The University of Michigan was conceived, born, and raised in a manner which was constantly enlightened, bold, and visionary. The men directing the university's affairs did not evade the tough requirements which have led to excellence. Academic standards are high and demanding. Research is wide ranging and often dramatic, "from the cell to the cosmos." Graduate programs rank among the Nation's finest.

The university's greatness is rooted in the sum of the personal achievements attained by its students and alumni. These achievements are superbly supplemented by the activities of its institutes and centers. Among the latter are, for example, the Institute of Continuing Legal Education, the Institute of Public Administration, and the Center for Chinese Studies. This gives a suggestion of the range. I can testify personally to the fact that these activities are an invaluable resource for the State of Michigan and for our Nation.

As a graduate of the University of Michigan who spent 7 years there in pursuance of liberal arts and law degrees, I am proud of my school. The quality and intensity of my appreciation has increased as I have entered more fully into the life of law and public service.

In my work and in my travels I have met graduates of the University of Michigan all over the world. Invariably they are living up to the university's ideal of knowledge, wisdom, and the courage to serve.

Of course, what a man gains at a university depends, in the main, more on himself than on the university. Nevertheless, the character of the university does make a substantial difference.

The quality of a University of Michigan education and the character of the men leading it are gracefully suggested by two statements I have recently read about the university.

The frailty of memory—

Howard H. Peckham writes in his book, "The Making of the University of Michigan"—

> is nowhere better evinced than in our faith in giants of the past, in a lost Golden Age. Not now, but *then* great and good men directed University affairs and taught its courses, while earnest and hardworking students sat at their feet. It is a pleasant myth, despite its implication of a declining institution. Upon examination the truth is that there were little men in the past as well as big ones, delinquent students as well as serious ones, and nothing new has been added to University problems since 1850. The University of Michigan has flourished because there have always been a majority of men of vision and wisdom to project its potential steadily toward the high goal of excellence in teaching and learning, which in itself attracted a preponderance of students avid to secure the advantages of varied opportunities. Insofar as success is a secret, this is it.

President Harlan Hatcher spoke the following words of wisdom at a 1964 convocation:

> At the University the student has a few years of latitude and leisure for self-cultivation. He has a supportive and tolerant or indulgent environment, favorable but not too tightly planned, where he may associate with his peers in a common mission individually pursued under diminishing supervision as he hastens toward maturity. He has available all the tools of learning we know how to provide. He may know and be guided by the wisest and most learned men in all fields. He has a chance to recognize the ongoing forces of our world, how they take on new forms and new directions, to learn how we preserve the good in the old while creating the new, and how to minimize crises, eruptions and neurotic tensions, through natural growth and creative evolution. He may construct a new and vivid pattern and style of life for himself.

These words can serve as our guide for a thousand years on the nature of the good university.

I know the University of Michigan will continue to serve our State, our Nation, and the world. Its goal will continue to be excellence, unqualified. And as long as I live my affection for it will be unbounded.

Mr. BRINKLEY. Mr. Speaker, I wish to thank my distinguished colleague from Michigan for allowing me this opportunity to join with him in saluting the University of Michigan on the occasion of its 150th centennial.

My legislative assistant, Harold Posey, from Columbus, Ga., is a 1963 graduate of the University of Michigan School of Law, where he received his master of laws degree in international law. Through him, I have become keenly aware of the excellence of this great university.

Mr. Speaker, education is the cornerstone of America's greatness and we must never lag in our support of education at all levels. The University of Michigan is the personification of what a great university should be, and I congratulate the people of Michigan who are responsible for this achievement.

In conclusion, I must add that this excellence does not necessarily extend to the football field, as witness the last encounter between my alma mater, the University of Georgia and the University of Michigan in 1965, which Georgia won, 15 to 7.

GENERAL LEAVE TO EXTEND

Mr. ESCH. Mr. Speaker, I ask unanimous consent that all Members 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 Michigan?

There was no objection.

FOREIGN ASSISTANCE ACT OF 1967

The SPEAKER. Under previous order of the House, the gentleman from South Dakota [Mr. BERRY] is recognized for 60 minutes.

Mr. BERRY. Mr. Speaker, the House Foreign Affairs Committee will soon begin its final consideration of the Foreign Assistance Act of 1967 which will authorize over $3 billion for next year's foreign aid programs.

In 1949, President Truman outlined his famous point 4 program of technical assistance for the underdeveloped countries of the world. The proposal was based upon the concept of self-help. America's approach to foreign aid has veered sharply from this original idea, however.

One of the Nation's most knowledgeable persons on the point 4 program, its concept and its operations, particularly in the Far East, is Dr. Raymond W. Miller.

While serving as president of World Trade Relations, Inc., Dr. Miller is a resident of California. His achievements reflect an unexcelled record of work for his fellow man and his biography is an impressive one. Dr. Miller is a farmer, lecturer, and author. He has served as a consultant to the United Nations and United States in helping to assist other nations, and has traveled hundreds of thousands of miles under three Presidents as a key member of the U.S. team in this effort. He also has emeritus status as a lecturer at the Harvard Graduate School of Business Administration.

Dr. Miller's record of accomplishments goes on and on, but suffice it to say

that he is eminently qualified to point up, as he has done, how our aid program has strayed from the original concept of self-help to one of giving money and things. While his article deals primarily with the problem of India, it is also applicable to our entire AID program.

My remarks today draw in a very large part from a studied report which Dr. Miller and his associates prepared after much research and deliberation. The study is entitled, "Men or Beasts?" and is, in my judgment, one of the finest appraisals of the problems of India, the role of the United States, and the needs for changes in our approach to a staggering food problem, that has been done.

In the introduction to his article, Dr. Miller points up the fact that there should be strings attached to our aid to India. His study places equal emphasis on this need throughout the AID program. He says:

India has made, and is making, heroic efforts to increase food production through increased irrigation facilities, manufactured fertilizer, better seeds and plants, and improved agricultural practices. India is now in its fourth "5-year plan." None of these has succeeded in materially increasing food supply on a per capita basis, largely because of increasing human population, and the constant loss of calories because of the inherent reverence for animal life on the part of the people.

Unless India will re-examine her reverence for the life of animals, there is little hope for her to stave off starvation of untold millions of her people—and little use for the world to deplete its granaries in a futile attempt to do the impossible—to provide food for humans while these very humans allow their indigenous food supply to be depleted because of an ancient reverence for animal life.

Recently, many Indian scholars say that the ancient writings have been misinterpreted, and that present-day animal reverence is not based upon the scriptures, but upon custom and tradition. We have not made reference to this in this study because that is a matter for Indians to determine, but we do have enough written statements from Indian sources to lead us to recommend that our Indian friends take a long, hard look at their own historic sources of a situation which adds so gravely to today's hunger problems in India.

MEN OR BEASTS?

Dr. Miller goes on to explain, by way of background, the seriousness of our population-food race. He says:

On October 19, 1949, at the invitation of Sir Morris Guire, who had been the Chief Justice of the Supreme Court of India and was at that time Vice Chancelor of the University of Delhi, at New Delhi, India, I addressed a convocation with these words as my opening paragraph:

"Tomorrow there will be 65,000 more persons for breakfast than there were in the world this morning, and so on daily—an increase of about 24 million persons annually."

Were I to give that speech today, I would have to revise my figures to say:

"Tomorrow there will be 185,000 more persons for breakfast than there were in the world this morning, and so on daily—an increase of about 65 to 70 million persons annually."

The final paragraph of that 1949 speech read:

"The *net* world population gain is at the rate of about three more persons every four seconds, which means there are 1,200 more inhabitants on the earth now than there were when I began speaking twenty-seven minutes ago."

That same statement today would have to read:

The *net* world population gain is at the rate of eight more persons every four seconds, which means there are now 3,450 more inhabitants on the earth than there were when I began speaking twenty-seven minutes ago." [1]

Mr. Speaker, Dr. Miller prefaces the questions of India's problem with some comments on the broader relationships between man his food. He writes:

Dr. Albert Sweitzer often referred to "a reverence for life." For this paper, let's amend that to read: "A reverence for human life." I am assuming this is a matter in which we, as members of the human race, all have a mutual, if not a vested, interest. I never cease to marvel at the wisdom of our forefathers in declaring "*life*, liberty and the pursuit of happiness" among our inalienable rights. We all warmly endorse "pursuit of happiness" and some of us, on occasion, may even reflect on "liberty"—but "*life*"—why that's just to be lived and taken for granted. Most of us took life for granted until some of us watched it uselessly, needlessly ebb away from emaciated human beings in many countries—human beings guilty only of being too many and too poor on today's earth.

Basically, man is dependent on his adjustment to all other competitive forms of animal life for his ability to survive upon this earth. He is in direct competition for food, water, air and space. As the living creatures upon this earth become more numerous, the competition becomes stronger.

This spaceship, Earth, upon which we humans were born, have lived and will die, is inhabited by many different types of life—the fish of the sea, the birds of the air, the animals on the land. These, coupled with millions of bacteria and other organisms, constitute our competing-coactive world. Each of these inhabitants adds to the general welfare of the spaceship, and each has something of a deteriorating effect upon it. Each is more or less at war with others, and, again, at peace. The scientists term the study of ecology that branch of knowledge which enables us to understand something of the balance between various types of beasts, birds, fish, bacteria, plant life and man.

When the world had many wide open spaces and was only partially inhabited by man, nature kept a balance between the various types of life. Of course, all these lives were utterly dependent upon the photosynthesis of the green cells of chlorophyll where the chemistry of the growing leaf combines hydrogen, carbon, oxygen and other elements with sun light and, from the beginning of time, has constituted the basis of all life. What happens when the life cycle gets out of balance?

He says:

World Trade Relations, Inc., which I represent as President, has for thirty years actively participated in local, national and world affairs. Our studies have taken us over wide fields in distant places. We have made reports for individuals, universities, corporations and governments, covering various parts of the earth. These have been, not in the field of exact natural sicence, but in the related field of social science, both as it is affected from within and as it is affected by the results of natural science. In the case of this particular report, I hope it will prove to be a document which will provoke some discussions and perhaps help us arrive at an ultimate determination of the way in which we, as American citizens, should proceed in an attempt to effect a balance between food and people in the immediate decades ahead, and on into the 21st and succeeding centuries.

The focus of Dr. Miller's attention is, of course, upon India, which he calls the No. 1 food deficient area:

First of all, our work around the world confirms that man during the past few years has, by scientific knowledge, increased his life's span upon this earth and the population has grown at a tremendous rate largely because death has been postponed. Just a century ago the overwhelming majority of the children of the world died before they reached five years of age. Today, even in the parts of the world that are considered "backward," the life span has, in most cases, more than doubled.

The problems today have grown to such enormous proportions that to attempt to solve the food dilemma of the last half of this century will be the greatest crusade ever undertaken by mankind.

While there are many, many food deficient areas in the world, India ranks as Number One. [2] Because of this, we have selected that country to be the focal point of our observations in this paper. We are continuing, however, to make studies of other areas as well.

The American Legion Magazine, in its March, 1967, issue, carried an article entitled "The World's Crisis in Food and What Must Be Done About It." The author states:

"India looms large in all this because its food problems are worse than those anywhere else—possibly excepting Red China—because India's 500 million people make up more than a third of those in the underdeveloped free world. . . . Her production per acre is almost on the same level as in 1880, a time when crowded Japan—by going modern in food as well as in manufactures—launched a rapid rise in food yield that has been sloping upward ever since."

"The religious scruples," the article goes on to say, "with respect to cattle in India are a unique complication."

One of the most poignant passages in Dr. Miller's article is the discussion of his introduction to India's poverty. He writes:

Through the years, my associates and I have come to the conclusion that most of the world's problems are rural. Because of this, we have concentrated our activities in villages and rural areas of many countries. In the course of various assignments, we have visited with and advised local leaders in hundreds of Indian villages.

I want you to relive with me now an experience I had in Calcutta in late February, 1949. I was there on an assignment for the Food and Agriculture Organization of the United Nations, for which I traveled some 300,000 miles in the changing parts of the world between February, 1949, and January, 1956, basically implementing the Truman Point 4 idea.

We arrived in Calcutta late in the evening aboard a British "Flying York." We landed in the river, were transferred to a surplus PT boat which had been given to the Indian government and, once ashore, were conveyed to the Great Eastern Hotel in a converted American jeep.

As we went along the narrow streets, I was struck by the sheer number of people shuffling along. Our horn was blown incessantly and the slow-moving pedestrian traffic moved aside. The people were thin and gaunt if adults, and pot-bellied if children. That this situation has changed little unfortunately, in the intervening 18 years is evidenced by an article which appeared in the April, 1967, issue of *These Times*. In his re-

[1] All figures are from the Population Reference Bureau, Washington, D.C.

[2] The Hindu Weekly Review, February 27, 1967, headlined one of its articles: "50 M Tons of U.S. Food Given Since 1951."

port, "The Population Crisis of Asia," author George C. Thomas states:

"All of a sudden there is an explosion of people. Millions of them. Everywhere in cities and in countries are masses of humanity. Even those who frequent New York's Times Square at five in the evening are stunned as they view the overpowering masses of Canton or Calcutta.

"The vast number itself may not really shock a visitor. But the number of boys and girls with skinny legs and distended bellies, the number of beggars with empty bowls, loiterers ready to stoop to anything that would bring some money, or the number of refugees searching for a roof to live under—these leave only the most hardened untouched."

That was how I first saw Calcutta in 1949. There in the streets, also, were innumerable thin, scrawny cows blocking traffic, and they didn't mind the horn. We detoured around them if we could, or waited until they moved along of their own accord. No one tried to hurry them along. The cow in India remains sacred and nourished in a perpetually hungry land where only a thousandth of the grain crop can be stored in modern silos and one-third of the annual production of food is destroyed by pests.[3]

He details the issue of the sacredness of the cow as follows:

Also lumbering along through the streets were countless oxcarts carrying supplies from the docks to the city. These were propelled by bullock power, not by cow power as used in Germany, Austria and in other countries where the cow has become a beast of burden. I have never seen a cow in India being worked as a draft animal, nor have my associates who have been there. The fact that the cow is regarded as sacred goes back to the centuries during which India developed a community-type life based upon nonnomadic people. While much of the earth was populated by nomadic tribes who spent their time hunting animals for food, the Indians developed thousands of self-sufficient villages, and the cow became the symbol of stability. She was the source of a permanent food supply through her milk; she nourished the soil through manure and this manure was also then, as now, a major source of fuel for heating and cooking; and she mothered the hard-working bullocks which became the power plants of the people.

If the cow were slaughtered for food, then the source of milk and manure was destroyed and so there developed a basic veneration for the cow. Here, then, as I first saw them roaming the streets, were the rawboned descendants of those once proud cows, scrounging now for food and being allowed to live out their life span at will, to end in a natural death after a time on earth subject to disease and abuse not allowed nor practiced in Europe or in the North American countries.

Darkness was settling as I arrived at the Great Eastern Hotel, and I was compelled literally to step over the bodies of men who where lying on the sidewalk. Some had a little roll of jute for a pillow and a few had a rough jute cover, but most had nothing to protect them but their ragged clothes. I learned later that there were a million refugees in Calcutta, sleeping on the streets at night. All I saw were men—I don't know where the women found shelter.

The hotel covered nearly a full city block and had a huge wooden awning stretching out over a wide sidewalk. This was one of the most sought-after places to bed down as the canopy afforded some small protection from the almost-constant rain. This introduction to the misery prevalent in the sub-continent of Asia came as a shock to me, as did some of the other sights I was to experience of the hunger and despair of part of our human race in a land where food is wasted and vultures thrive.

The next morning, as is my custom, I was up at six o'clock to take a walk. The men who had been on the sidewalk the night before had disappeared, with a few exceptions. In my innocence, I first thought those that remained were late sleepers. I soon learned—with another shock to my American senses—that they were quite dead. A bullock cart was making its way around the hotel and the bodies were heaved into the cart for conveyance, I was told, to the banks of the Ganges. They were not to be cremated there with due ceremony because of the scarcity of wood for a pyre, but they would be scorched a little before being cast into the waters of the holy river.

During the day I did many things and visited with many people, but always in my mind were those souls on the sidewalk. When I returned to the hotel that evening, I again zig-zagged through the sleepers and wondered how many would not awaken the next morning. For several days I saw the same pattern repeated, with fifteen to twenty bodies being carted off each morning—men who had died during the night from starvation coupled with the devastation of exposure to the elements and to disease.

One of these evenings I had my dinner in the main dining room of the hotel, right on the ground floor. The meal was excellent—well cooked, beautifully served and in bountiful supply. My seat was right by a window and as I moved the drape slightly to glance outside, I found myself, to my horror, returning the stare of the near-dead on the sidewalk. They were staring, as if hypnotized, at the food on my plate. I couldn't finish my meal. As I walked out of the room I asked the manager, a Britisher, how these people could resist throwing a rock through the window and grabbing a plate of food within reach since they were literally starving there within sight of plenty.

He turned to me and taught me one of the basic lessons of Asia. He said: "Mr. Miller, this must be your first trip to India. You'll learn many things, and among these will be that a Hindu is loyal to his faith. His faith is that if he endures all that comes to him here, he will go to Nirvana and stop the eternal birth and rebirth of which he has been a part for thousands of transmigrations of his soul from one form to another. He won't throw a rock through that window." It was a lesson I have never forgotten.

Dr. Miller also traveled in Pakistan that year, but the comparison between cattle in Pakistan and the cattle in India is striking:

During that same trip in February, 1949, I went on to Karachi in Pakistan. I had occasion there to visit with Prime Minister Liaquat Ali Khan, who was a most delightful gentleman. Incidentally, he later took my suggestion and that of others and visited California to study conditions there in a climate much the same as that of his native land. The Prime Minister returned to Pakistan in due course and was murdered by one of his fellow Moslems, but that's another complete story.

At the conclusion of a long session with him about many things, I told the Prime Minister that I understood there were proportionately more refugees in Karachi than there had been in Calcutta, but this time they were Moslems who had crossed hundreds of miles of desert to leave their native India to be a part of the new Moslem country of Pakistan. There were cattle in the city streets, too, and they were as poor as those I had seen in Calcutta. These were remnants left behind when the Hindus fled to the Punjab. I asked the Prime Minister why, since the Moslems did not venerate cattle, the animals were not used for food, which was so desperately needed.

The Prime Minister seemed interested in the idea. I'll never know if my question served as a suggestion to him or whether it came about in some other way but, at any rate, when I returned to Karachi in October of that year on another visit there was not a single cow or bullock to be seen wandering the streets. The refugees had devoured them—with the permission of the office of the Prime Minister.

RELIGION, LONG CUSTOM, TRADITION SEEM IRRATIONAL TO OTHERS

Many more stories could be recounted, but these examples are enough to point up the fact, that, while men are basically the same physically, our religious motivations and the long, long trail of custom and tradition lead us to do things which seem to be irrational to men of other faiths and cultures.

From the dawn of history, crude and unchanging farm implements have been used not only in India but in most of the world. Even today, 90% of the land in India and Pakistan is turned over by wooden plows pulled by bullocks—never, in India, by cows. The main power source of all Asia is largely bovine, be it a bullock or a water buffalo.

When Thomas Jefferson and others developed the first moldboard plow in America, it was our time to turn from the old to the new. Out of that simple beginning later came the reaper, the four-row cultivator and the air-conditioned tractor. America greatly increased its food supply in relation to inputs when we shifted from animal power to the internal combustion engine on wheels, with air-filled rubber tires. Henry Wallace commented on this to me in 1940, observing that we were changing our whole concept of the quantity of food we could grow because as the farms became tractorized the land that had been used for animal feed could be used to grow food for commerce.

There are no accurate figures available but, till the tractor came along, roughly one-quarter of America's farmland was devoted to producing food for work animals. One of the reasons why we suddenly became a nation with huge surpluses was the rapid mechanization of the American farm, coupled with increased use of fertilizers, better seed and improved farming techniques. Such changes have been delayed in India and today she must make up for the past or she will starve herself into the 21st Century.

A wooden plow, native to India and Pakistan, incidentally, was the immediate cause of the passage of the India Wheat Loan Bill by the United States Congress in 1951. This was the forerunner of Public Law 480 in 1954, which provided for the shipment of millions of tons of food. My associate, the late C. Leigh Stevens, and I conceived the idea of bringing a typical plow and some other crude tools back with us from India and Pakistan to show the members of the House Foreign Affairs Committee some of the problems involved in balancing food and people in Asia. When we made our appearance before them, they were fascinated by the exhibit and were clearly impressed by the indisputable evidence the primitive plow provided.

The bullocks that provide the power for the plows are not strong. They are hungry, tired and often have open sores under their yokes. The cows, on the other hand, often lead a much easier life—at least they have more time to scrounge for food because they are not hooked to plows, water pumps nor carts.

There has been some slight progress over the years, but not much. In January, 1964, the United States Department of Agriculture published *Agriculture in India*, giving a great many figures and showing completed plans of the past and projected plans for the future. At that time the best available figures, which were a little outdated, showed there were 36,000,300 wooden plows of the type we brought back in use in India. There were

[3] Figures from *New York Times*, 2/24/67.

1,400,000 steel plows and only 21,000 tractors. Based upon our questioning of a great many people, both nationals and foreigners, we find those figures may have changed perhaps 10%, but that's not very much—leaving some 33,000,000 wooden plows in an age of rapidly increasing population in a world that has advancing technology available.

GREATEST CATTLE POPULATION IN WORLD IS IN INDIA

But what about the cows that do not work and give but little milk? India has not practiced, as a good forester does, "sustained yield through selective cutting." While she has the greatest cattle population in the world—some 200 to 250 million head, including water buffalo, or approximately one kine for every two persons—she has not developed a livestock nor dairy industry as such. The study projects of a cooperative nature by the United States aid program and the Indian Government have seldom included any in the field of animal husbandry.

The few exceptions are marvelous experiments such as those in Bombay, where dried milk products from New Zealand and the United States are mixed with the rich, 8% butter fat milk of the water buffalo and a very healthy product results. But, as a whole, there is little dairy or livestock industry of importance in the land. The March, 1967, issue of the magazine, *Natural History*, in its timely and authoritative article, "The Myth of the Sacred Cow," states:

"It must be admitted that the Indian dairy industry is among the least efficient in the world. In India, the average annual yield of whole milk per cow has been reported at 413 pounds, as compared with an average of over 5,000 pounds in Europe and the United States. Furthermore, of the 79.4 million cows maintained in 1961, only 20.1 million were milk producers. Among the 47.2 million cows over three years old, 27.2 million were dry and/or not calved. If we go on to accept the proposition that India can make no profit from the negligible slaughter of its enormous cattle supply, we have completed the case for the great cattle bungle. Hence the conclusion of a 1959 Ford Foundation report on India's food problem:

" 'There is widespread recognition, not only among animal husbandry officials, but among citizens generally, that India's cattle population is far in excess of the available supplies of fodder and feed . . . At least one third, and probably as much as one half, of the Indian cattle population may be regarded as surplus in relation to feed supply.'

"This view is endorsed by government agronomists, and the Indian Ministry of Information insists that 'the large animal population is more a liability than an asset in view of our limited land resources.' "

In the United States part of our livestock industry is devoted to milk production, but a larger part is devoted to using the animal as a converter of grains into meat and other foods eaten by man. Beef is abhorred by Hindus and, while there are some 55 million members of exterior or untouchable groups in India and several million more who are pagan, Christian or Moslem and do not stress the beef-eating taboo, the fact still remains that the overwhelming majority of Indians are vegetarians. This in itself is all right—we have Seventh Day Adventists in this country who are vegetarians, too, but they use supplemental plant protein. The Indians, too, have excellent sources of plant protein such as peanuts, but they often use them for fertilizer instead of for food.

HIGH-PROTEIN DIET MEANS LEADERSHIP

Protein, animal and plant, is a building block for life. Today, in an age of rapid technological change, it seems that those countries that have a large amount of protein in their diets are the leaders in education, scientific thought and development. Those nations that are deficient in protein are those that are making less original progress than the others. This fact is dramatically presented with charts and figures on Pages 212 and 213 of the Food and Agriculture Organization of the United Nations' bulletin, *The State of Food and Agriculture, 1966*, but additional conclusions need to be drawn. FAO's current study, "Codex Alimentarious," is the world's first real effort to assemble human nutritional standards on an international basis.

Figures from the U.S.S.R. and mainland China are not available but, from conversations with Canadians who have been in China, and with the United States and Canadian citizens who have studied the U.S.S.R. in depth and have been there, it is apparent that these two countries are cognizant of the value of protein and students for technological honors and scientists are having at least a tolerable protein diet. Attempts are being made to increase protein for the multiplied millions of people who are inhabitants of this great Eurasian complex.

It is our opinion that, unless India upgrades its protein diet, her people—as fine as they are—will not be able to compete in the technical 21st Century, even if they have warded off starvation before then.

INDIA VERSUS UNITED STATES IN RELATIONSHIP TO ANIMALS

Today, India is racked by demonstrations aimed at protecting the cow from slaughter. In most areas of the nation it is illegal to slaughter a cow. There exists an economic waste of millions and millions of cattle that live out their lives as venerated cows or as hard-working bullocks. After death their lean bodies are consigned to the vultures and their hides, in many cases, are torn apart by the claws of the birds and fangs of hungry dogs. The dry, bleached bones are the chief product turned over to the hungry world. The bone business from the dead bovines of India is of staggering proportions. Such material is the basis of much of our gelatine and related products. The leather from the hides of the dead cattle is often of poor quality because, as a rule, the animals have had no protection from insects, worms, skin diseases and the elements during their lifetime nor, as mentioned earlier, from the scavengers after death.

Probably the biggest single hurdle the Indian farmer must jump, if he is ever going to feed his own, is the matter of his relationship with animals. Let's compare his views with those we hold in the United States.

MAN-ORIENTED VERSUS ANIMAL-ORIENTED ECONOMY

When our ancestors took over this continent, most of the great middle Mississippi and Ohio Valleys were inhabited by countless herds of buffalo. From a practical point of view, if the buffalo had not been killed off we would not today have a surplus of food to ship to India or any other place. If we had treated the bovine animal the same way the Indians do we would never have developed the great yields of wheat and corn, soybeans, barley and oats, and dairy and meat products which today are being shipped to the ends of the earth to help fulfill America's part in saving the world from starvation.

The February 1967, issue of *The American Motorist*, the publication of the American Automobile Association, includes an article about Dodge City, Kansas. In talking about the days of the Old West, the article states:

"The vast herds of buffalo—estimated as late as 1870 at up to 25 million head—provided easy living for any man with the price of a few bullets. A good shot could effortlessly make $100 a day and never lose sight of his prey.

"Buffalo hides were coveted back East and in three years the Santa Fe shipped 1,350,000 tons of buffalo bones back to fertilizer plants. Within five years the southern herd of gentle, lumbering beasts were almost extinct.

"The cattle industry stepped in to fill the gap."

Yes, the pioneers shot the buffalo and, in spite of poor conservation practices, went on to develop an animal industry of horses, mules, cattle, sheep and hogs, but these were meant to be the servants of man, not his masters. They provided not only power, milk and hides, but they helped to fill the stomachs of a growing nation with protein. Protein is the great food foundation upon which man depends for his life, his health, his energy—yes, his brain. It is my firm conviction that India is wasting enough food on its nonproductive animals of all sorts to more than fill the deficiency in the present Indian diet. Its a strange paradox that we are today exporting goods derived from a man-oriented economy to make up the deficiencies in an animal-oriented economy clinging to traditions of the dim past.

THE FUNDAMENTAL QUESTION—FOOD FOR ANIMALS OR MEN

Now, the Indian has a perfect right to his religion and traditions. He does *not* have the right, we believe, to call upon us for our reserves of food to enable him to cling to those old attitudes. Even the Prime Minister of India raised this question in an article which appeared in the January 16, 1967, issue of *The Hindu Weekly Review*. An article entitled "P.M. Calls for Fusion of Tradition & Modernity" stated:

"The Prime Minister, Mrs. Indira Gandhi, said in Bangalore on January 8 that the conflict in India today was not primarily one of ideology as such but a clash between those who cling to the old ways of thought and those who want India to understand the changes which were taking place all over the world and adopt itself to the needs of the second half of the 20th century.

" 'In our religion,' Mrs. Gandhi said, 'we have had reformers and rebels challenging earlier beliefs and thus changing accepted values. This is an example of what I mean when I say that tradition involves movements. Only that society absorbs new challenges and ideas which refuses to let old prejudices and the weight of the past inhibit its attitude and direction. And to be creatively alive, it must mould the future out of its own experience. It must recognize the difference between mere imitation and assimilation.' "

In March, 1964, the Society for International Development held a conference for its members on the "Motivations and Methods of Development of Foreign Aid." One series of speeches published in the proceedings of the Society, under the title "Religion and Development," is noteworthy. The introductory statement was made by Professor Benjamin Nelson, Chairman of the Department of Sociology, the State University of New York, at Stoneybrook, New York. His concluding remarks were:

"Once again, as in the waning Hellenistic and Roman periods, an old world is dying and a new one is being born in the midst of a clash of mighty world religions and political mystiques."

A BALANCE BETWEEN MAN AND ANIMALS IS NEEDED

Our India food problem is basically one of public relations and not of logistics. We can grow for export certain amounts of food and have the means of transporting these quantities halfway around the world to the ports of India. The calories therein contained, when added to what the Indians produce themselves and what they import from other sources, make a certain supply available for internal use. This combined amount might be compared to a food bank, from which sums can be withdrawn by the Indian people. This fund would be enough, we feel, to feed them adequately if they withdrew amounts for their own needs plus a supply for their animals comparable to the ration in regard to

man vs. animals which is prevalent in the countries from which they are now getting tons and tons of relief. As matters stand, however, animals competing for food in India are getting excess calories above the share to which they are entitled in line with their contribution to the general welfare of the land. The need for a balance between man and animals is known, and the means for controlling animal numbers are available. If the Indian people would accept this fact, and begin to control the number of animals as well as humans, they could fulfill their immediate needs and gain precious time to build fertilizer plants, introduce better seeds and feeds, and otherwise improve their other cultural deficiencies.

ERRORS THAT HAVE BEEN MADE

It is our opinion that two great errors have been perpetuated with regard to the Indian food situation. First, because of our built-in fear of offending the religious convictions of those who have a different faith than us, we Americans and others have not publicly warned the Indians that our generosity and our supplies of food cannot be stretched indefinitely to feed the people of India unless those same people stop food from being used indiscriminately by non-production animals.

The second mistake is on the part of the Indian government and scientific leaders who have recognized that in a matter of only a few years foreign aid will not be sufficient to feed the hungry but have been reluctant to so inform their people.

The Indian people have accepted these millions of tons of food from us for so long that the new generation is rapidly coming to look upon our shipments as a just claim on their part. When the supplies of necessity taper off, the resentment of the Indian people will be terrible.

Suppose, for instance, that another dust bowl of the proportions experienced in North America in the '30's should develop again. Imagine the disruptions to India if tensions in the Middle East resulted in the closing of the Suez Canal, or if trade was affected in the Straits of Malacca. There would be little food for the bowls of the world's needy. The whole world could suffer terribly because the surplus supplies have been nearly exhausted by India receiving more than her share of the available total without doing her part to avert the disaster.

INDIAN OUTLOOK HAS BEEN KNOWN TO CHANGE

Here are some incidents which will illustrate that the Indian people can be amenable to change:

I was in the old United Provinces in 1949, and learned the farmers were sustaining terrible losses to growing and already-harvested crops from an animal they called the Neel Gai (the blue cow) which resembled an antelope in appearance. These animals went at will across the land, destroying crops as they roamed. There were thousands of them—I personally saw herds of over a hundred animals in each. Their destructive powers were enormous and their stomachs never seemed to be full. While I was still in the area, an Indian scholar completed some research he had been doing, and announced that the blue cow was not a kine at all, but was, in reality, an antelope. Almost immediately, the government issued a notification declaring the new name and classification of this animal. It was called the Neel Ghora (blue horse), and this automatically removed the protection of the cow from the animal. Within a matter of months their ranks were decimated, largely by Hindu farmers.

In another instance while I was in Lucknow, a young woman student at the Lucknow Cultural Society was literally shouted down by the assemblage when she drew attention to the fact that monkeys, which also roamed free, had destroyed her family's garden and she felt something should be done about it. About the same time, a farmer was sentenced to jail for killing a monkey, the animal being revered because legend had it that its distant ancestors had helped Lord Rama build a bridge of rocks to Ceylon to free his kidnaped wife. The Indian farmers, however, being reasonable individuals, were disturbed by this incarceration of a man for protecting his crops from destruction by a descendant of the monkeys of mythology. Within a few years enough pressure was brought to bear that the protection of the monkeys was removed in the United Provinces, and it even came about that an application for renewal of a tiger gun license had to be accompanied by the ears of at least two monkeys.

These occurrences are historically correct, but too few in number. Some provinces have made very little progress in changing from yesterday to today, but there is a hopeful sign that the frozen block of traditions in regard to agricultural production and livestock control is beginning to crack. In a few areas, for instance, there are recorded cases of cereal production increasing from 600 pounds per acre to 3000 pounds per acre through the use of improved seed, better fertilizers, improved tillage and the controlled wanderings of livestock. We feel these trends will continue at an accelerated rate but, since this is a race between millions of people and immediate starvation, the change must come almost overnight as it did with the Neel Gai. Otherwise, by 1980, there will be such famine in India that the records of the world from the beginning of time will have nothing to compare with the calamity.

We have discussed these problems with Indian leaders since 1949, and have always received recognition of the validity of our ideas, even from Mr. Nehru. As early as 1950, before our Point 4 relief was started, Mr. Norris E. Dodd, Director General of the Food and Agriculture Organization of the United Nations at that time, brought the animal-man food problems forcibly to the attention of the Indian Government during a conference in which I participated.

FOOD LOSSES ENORMOUS FROM RODENTS, PESTS

Perhaps the greatest mistake the non-Indian world makes is to blame all the maladjustment of food supply on the venerated cow. Other animals eat and destroy probably more calories than does the cow, and give nothing in return, whereas the cow does give some milk and manure. Many non-domestic animals could be controlled with a minimum of public resentment as I have pointed out in the case of the monkeys in the United Provinces.

An article which appeared in *The Washington Post* of January 4, 1967, points up the seriousness of this problem. It is entitled "India's Revered Rats Gobble U.S. Grain," and concludes that there are probably five rats for each of India's roughly 500 million inhabitants. Most of these rodents live out their lives unharmed in order to avoid offending the Hindu god of good luck, Ganesh, who reportedly rides on a rat's back. The FAO of the United Nations, in its aforementioned report, states:

"The losses in stored rice caused by rodents consist of losses in weight, losses in quality, and other losses from gnawing on bags, structures, lead pipes, electric wires, etc. If rat population equals human population, as has sometimes been suggested, and if one rat consumes about 9 kilograms of grains per year, the annual loss in quantity alone in a country with a human population of 50 million would be 450,000 tons."

This loss figure when applied to India, therefore, would be multiplied ten-fold, or a total of 4,500,000 tons if we use FAO's conservative one-to-one rate. If the *Post's* five-to-one ratio, as developed by a West German research team in India, is used, that figure escalates rapidly to an impressive 22,500,000 tons consumed annually by rats!

Incidentally, the foreword of this population is by the courageous and forthright Indian gentleman who is FAO's Director General, Dr. B. R. Sen. It is upon his recommendation that our organization cooperates with the American Freedom from Hunger, Inc., of whose Board of Trustees I am a member.

The Washington Post article goes on to name other pests in India which live a good life, quite undisturbed for the most part. Among these are bandicoots, which resemble cat-sized rats, and do immense damage to crops at the same time that they are a threat to infants. Wild birds, crows, roaming dogs and monkeys add to the damage, and the national bird, the peacock, has become a major pest.

Following the advice given him by Mr. Horace Holmes (a former County Agent from Tennessee working in 1949 for a private contractor in India on developing better agriculture), a particular farmer in the Etawha area had succeeded in developing some very fine stands of a certain cereal. I had wanted to see this for myself, and was visiting there when an amazing calamity befell. A very large flock of peacocks settled on the beautiful green farm. They strutted about and flapped their wings before settling down to eat. The farmer, being a very pious and religious man, stood there wringing his hands but doing nothing to drive the birds away. It wasn't long before his crop was largely destroyed.

Of measures against animal pests and insects, the United States Department of Agriculture says in its publication, *Agriculture in India*, January, 1964:

"The use of chemical insecticides and fungicides is retarded in India by economic and religious considerations. The low yields for most crops make the use of chemicals economically prohibitive, and the vast majority of Indians are Hindu, part of whose philosophy, *ahimsa*, prohibits the killing of any animal life. Therefore, plant protection measures directed toward the destruction of insect and animal life have two formidable deterrents to overcome before widespread progress can be made."

FENCES AND INDIAN FARMERS' CHILDREN

Another of Asia's problems comes from the lack of fencing. Perhaps the largest single vocation of the Indian farmers' children is to follow the animals and to herd them from morning until night. We hear much about the farmer in Asia looking upon a large family as a built-in security. That may or may not be so. I have met hundreds of them, however, who felt they must have a large group of children to herd the animals. Fences, as we know them in North America, are almost non-existent. They are one of the simple developments that might at least be explored by the Indians and other Asians. We have never seen—although it might be there—a recommendation concerning fencing in any of the five-year plans. My personal observation is that the herding that goes on is one of the greatest "make-work" wastes of time I have ever seen on any continent.

Jack Wilson, a columnist who writes the items for "Potomac Fever" in *The Washington Post*, said on February 4, 1967:

"LBJ says India needs birth control as much as food. In India they claim a family needs lots of kids to chase the cows away from the rice patch."

VIEWS CONFIRMED

At the request of the Committee on Discussion and Debate of The National University Extension Association, in the spring of 1966, we prepared an article on foreign aid policy for their publication, *The Forensic Quarterly*. This was one of several position papers used by high school students throughout the nation. On Page 216 of the May, 1966, Quarterly, under the sub-heading, "Religion is a Factor Not To Be Over-

looked," we pointed out a number of the things we have discussed in this paper.

As a result of the foregoing article, and knowing of our intense interest in the matter, I was invited by President Vernon Alden of Ohio University at Athens to make several appearances on the campus before students, members of the faculty and invited guests. This I did on March 7, 1967, using the material which now appears in this paper as the basis for my lectures.

Almost as if in confirmation of points we have made here, the *U.S. News & World Report* of April 3, 1967, carries an interview with Dr. S. Chandrasekhar, India's new Minister of Health and Family Planning. The article is entitled "Too Many People—Is India Facing Disaster?" On a page headed " 'We have two population problems—human and bovine,' " Dr. Chandrasekhar is reported as saying:

"I am one of those who believe we can lick the problem of our food supply. But we do not because we have traditional methods, traditional ways of doing things. The average Indian is indolent, because of very poor nutrition. Our Government has to go very slowly, grind very slowly, and, when we say something, we really don't mean to carry it out, because there are so many institutional obstacles.

"For instance, let's take the destruction of rats. If the Government can really implement this decision, I am sure we can save at least 20 per cent of our total food-grain production. But in India this is not a very popular subject to speak of. I have a sneaking suspicion that in the countryside people just don't want to kill an animal. They are sacred. They represent 'life.' There are a variety of other factors, but the result is they just don't kill the rats.

"There has been a tremendous all-India agitation asking the Government to ban cow slaughter. This is a subject on which no politician, no member of Parliament, could take a stand for fear of being misunderstood. But I am going to take a stand. People go around paying lip service to the principle that the cow is sacred and it ought to be protected. My position is that it is more religious, more spiritual, to kill some useless cows and useless cattle which wander the streets and cause traffic hazards and who have nothing to eat—no silage, no pastureland. If some of the useless cattle are destroyed, maybe our cattle-population problem can be solved, because, as you know, we have two population problems—we have the human-population problem and the bovine-population problem—they show a direct ratio in their increase! People talking about cows being sacred are the very people who illtreat them and maltreat the cow. And I don't think anywhere in the world does the cow have as miserable an existence as in India."

PRESIDENT TRUMAN'S GREAT POINT 4

I mentioned earlier that I traveled in India on behalf of the Food and Agriculture Organization of the United Nations. That had come about one day in early January, 1949, when Norris E. Dodd, then Director General of the organization, invited me to his office and asked me to work with him as a public relations consultant "with the world as my parish."

When we had finished discussing various aspects of the work, he handed me a torn envelope with some writing on it. "Read this, Ray," he said. "Mr. Truman wants something to include in his Inaugural Address to show how we, through 'know-how' and 'show-how,' can help people to help themselves on a two-way street where we will also learn as well as transmit knowledge. What do you think of this?" And there on that torn envelope was the outline of the famous Point 4. Two weeks later it was elaborated upon in the President's message and became the North Star of Hope for millions. It was my privilege to help interpret this program to the world from 1949 through 1955, as an adviser to both the FAO of the United Nations and to the United States Department of State. Since then World Trade Relations, Inc., has been in constant touch with the Indian situation and its relation to the Point 4 concept.

Many interested citizens are wondering how we, as a nation, ever got caught in the quicksand of Indian population and food pressures. It's very simple. Our missionary traditions, coupled with the vision of President Truman's Point 4 ideas, stimulated an intense interest in the problems of India. Unfortunately, in our enthusiam to "do good and save the world" we ignored the example of the missionaries who helped people to help themselves, and we appended a give-away concept to the Truman program which was never intended to be included.

THE MESSAGE

The Inaugural Address of 1949, in its entirety, is one of the really great state papers of these times. Point 4 of the speech heralded the greatest attempt ever made by those who had discovered technical knowledge to share it with those who had not been exposed to its findings.

In Mr. Truman's exact words:

"Fourth. We must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas.

"More than half the people of the world are living in conditions approaching misery. Their food is inadequate. They are victims of disease. Their economic life is primitive and stagnant. Their poverty is a handicap and a threat both to them and to more prosperous areas.

"For the first time in history humanity possesses the knowledge and the skill to relieve the suffering of these people.

"The United States is preeminent among nations in the development of industrial and scientific techniques. The material resources which we can afford to use for the assistance of other peoples are limited. But our imponderable resources in technical knowledge are constantly growing and are inexhaustible.

"I believe that we should make available to peace-loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life. And, in cooperation with other nations, we should foster capital investment in areas needing development.

"Our aim should be to help the free peoples of the world, through their own efforts, to produce more food, more clothing, more materials for housing, and more mechanical power to lighten their burdens.

"We invite other countries to pool their technological resources in this undertaking. Their contributions will be warmly welcomed. This should be a cooperative enterprise in which all nations work together through the United Nations and its specialized agencies wherever practicable. It must be a world-wide effort for the achievement of peace, plenty and freedom.

"With the cooperation of business, private capital, agriculture, and labor in this country, this program can greatly increase the industrial actvity in other nations and can raise substantially their standards of living.

"Such new economic developments must be devised and controlled to benefit the peoples of the areas in which they are established. Guaranties to the investor must be balanced by guaranties in the interest of the people whose resources and whose labor go into these developments.

"The old imperialism—exploitation for foreign profit—has no place in our plans. What we envisage is a program of development based on the concepts of democratic fair dealing.

"All countries, including our own, will greatly benefit from a constructive program for the better use of the world's human and natural resources. Experience shows that our commerce with other countries expands as they progress industrially and economically.

"Greater production is the key to prosperity and peace. And the key to greater production is a wider and more vigorous application of modern scientific and technical knowledge.

"Only by helping the least fortunate of its members to help themselves can the human family achieve the decent, satisfying life that is the right of all people."

The Marshall Plan, also inaugurated earlier by President Truman, was proposed as the world's most comprehensive rehabilitation program and was basically a plan to put Europe back on the production line. What we had developed in North America was largely the result of education, techniques, and abilities imported from Europe over the past 300 years. We had developed a climate of political freedom and individual initiative under which the basically European discoveries had flourished. We had become the greatest power on earth by the blending of a technical heritage from Europe with the pioneer spirit and political understanding of a people who had combined a written Bill of Rights with an unwritten Bill of Duties. Out of this homogenization of knowledge and political theory a powerful America was created.

The Europeans had built a civilization of a scientific structure from the beginning of the industrial revolution in the 18th Century to the beginning of the War of the 20th Century in 1918. During the first two phases of this latest war which is still with us, in the periods known as World War I and World War II, Europe was blown to pieces materially and politically.

Communism, Karl Marx's modern mutation from the theories of Plato, found an optimum climate for growth in Russia, and thrived there under the name of Bolshevism. It threatened to first take over Europe and then all the rest of the world, even if it had to go to Paris via Peking. Into this situation—with a largely-destroyed industrial Europe—with nations in bankruptcy and the tentacles of Bolshevism reaching out to enmesh new areas—was introduced the Marshall Plan. It was hoped that this fast-growing "plant," with its roots firmly embedded in the soil of freedom, would send out heavy growth to smother the weeds of Bolshevik Communism. This was largely accomplished in western Europe, and the miracle of its growth is unequalled in human history.

When it was evident that the Marshall Plan was going to be a success, President Truman wanted to present a separate proposal for the cultivation of the plant of freedom in areas of the world that had not had the benefits of centuries of industrial and scientific growth. Most of the world that was neither European nor North American had little experience with modern technology as applied to agriculture, fishing or industry. Its educational institutions were few and those that did exist were concerned primarily with perpetuating the mental status quo of the past rather than looking to the future of change and the acceptance of new ideas.

The new proposal, outlined by Mr. Dodd at President Truman's suggestion, offered these emerging areas benefits of our knowledge and experience. It envisioned their literally being able to leap-frog across centuries of European-American research and experience through our "know-how" and "show-how" efforts. A careful reading of the afore-cited Point 4 of the 1949 Inaugural Address shows how strong was the basic idea of self-help. *No mention is made of a give-away program save in terms of knowledge.* President Truman's vision was predicated upon each nation doing what it could to help itself with

its own resources combined with the world's technical knowledge. Food would be shipped to cover emergencies such as droughts, but this was not to become a perpetual program.

Unfortunately, the Point 4 program was still in its infancy when it became obvious that it was being misconstrued here at home and the emphasis shifted from giving *ideas* to giving *things*. The program has been so administered that practically the whole world has come to think of it in terms of material goods, accompanied by the philosophy of "Just ask—Uncle Sam will provide."

This resultant attitude reminds one of the story of the ancient Greek philosopher who, upon being told that a citizen had made some very disparaging remarks about him, said to his informer: "I can't understand why he should speak so—I don't remember ever *giving* him anything!"

WE MUST GO BACK TO THE BASIC SELF-HELP IDEA OF POINT 4

A change is becoming apparent, however, and we seem now to be going back to take a look at where we very largely left the track in 1952. Secretary of Agriculture, Orville Freeman, for instance, publicly stated on February 16, 1967, that it has become impossible to feed the world through charity and relief and that it must be accomplished, if at all, through self-help coupled with technical advice. Dr. B. R. Sen, in the afore-mentioned foreword to the report of the FAO of the United Nations, frankly stated:

"It has always been emphasized by FAO that, invaluable as food aid may be . . . in the long run greater production in the developing countries themselves is essential for any lasting improvement in their food situation."

Thus it is hoped that the basic intent of the Truman Point 4 program will be resurrected once again after billions of dollars have been wasted and irretrievable years have been lost in an often-futile attempt to buy the friendship of other areas of the world.

President Lyndon Johnson, recognizing the imperativeness of getting the food problem to the "grassroots producers" and away from the acedia of government, told the Congress in his Message on India Food on February 2, 1967:

"All of us know where the real battle is fought. Whatever the efforts in world capitals, the real tale is told on the land. It is the man behind the mule—or the bullock—or the water buffalo—who must be reached. Only his own government and his own people can reach him."

CONCLUSION

In the spring of 1951, I returned from my third extensive trip to Asia. My associates here at home had been carrying on exhaustive research. I was requested by the editor of the *Harvard Business Review* and Dean Donald K. David of Harvard's Graduate School of Business Administration, where I was a member of the faculty, to prepare a document for the publication which would reflect our evaluation of the economic problems of Asia. This was published in the July, 1951, issue of the *Review*, and entitled "Our Economic Policy in Asia." There has been so little change in the situation in almost 16 years that it is sad but true that the report which we wrote then could stand as our evaluation of our economic policy in Asia in the spring of 1967 by changing a very few words and adding several paragraphs.

Its concluding statement is still true. We said:

"Hunger is the most important fact in the world today. The real challenge of the 20th Century is the race between man and starvation. Today the great majority of the people of Asia live in rural and urban slums under economic restrictions and social customs and superstitions of the past. We in the United States must with other free countries cooperatively attack the conditions which cause these people to be poorly clothed and hungry and to live in hovels. Within these dirty domiciles men are generating internal volcanic pressures. These will erupt in this decade—as, indeed they have already started to do—unless the 'lending of a hand' takes the place of a mere handshake. What Asia wants the United States to be is a good neighbor, not a patronizing philanthropist."

In conclusion, may I emphasize again that there is no time to waste in hobbling the horseman of hunger in India. India must bring herself to be a nation with a man-oriented economy, with a 20th Century balance between culture, tradition, practical technology and economics.

Time is of the essence.

CRISIS IN THE MIDDLE EAST

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. WOLFF] is recognized for 30 minutes.

Mr. WOLFF. Mr. Speaker, the explosion of hostilities in the Middle East came as a shock to the people of the world, but not as a surprise. The uneasy situation slowly smoldering in that quarter of the world has long been the object of much attention and consternation among those who hold peace dear. For over 20 years, the Arab nations have threatened to do exactly what has finally come to pass, that is the attempted annihilation and total destruction of the Jewish nation of Israel. The aggression is being led by Nasser of Egypt, the same Nasser who last week bombed a Red Cross convoy on its way to give aid to those who were gassed in attacks on Yemen. Reports continue to come in of Israeli military victories and the complete breakdown of the Arab military machine.

And although the region is beset by confusion and conflicting reports at this hour, we can be sure of the fact that the state of Israel has every legal right to exist and they are, at this minute, defending that right with their blood and every thread of energy and courage at their disposal.

The United States has a vital and paramount interest in the survival of the state of Israel, an interest that is as basic as the very democracy upon which this Nation was founded and in which we so firmly believe. Israel stands like a small but powerful beacon of democracy amid the shadows cast by the despots in Arab States. Freedom to the citizens of the United States is a concept that we have fought for and for which this Nation would go to war again to protect if it were challenged. Freedom is the concept now being challenged in Israel by the dictators of the Arab States who would usurp that principle by the force of their Russian-equipped armies. If the United States does hold freedom and liberty to be the inviolate right of all people, then we, as a nation, must support the valiant nation of Israel which now faces the enemies of democracy.

Withstanding the pressures, threats, and the aggressions of the destroyers of freedom is nothing new to the people of Israel. Since 1948, they have withstood countless attacks against their integrity in the form of infamous raids and infiltrations. Before 1948 and the founding of the modern State of Israel, the Jewish people were swept beneath the onslaughts of the Russian pogroms and the Nazi exterminations, but they survived and sustained their dream of an Israel reborn. The realization of their dream, the restoration of Canaan that God promised Abraham, finally came true through the determined efforts of a handful of courageous fighters and builders who created with the sweat of hard work and the blood of inspired combat the state that is now besieged in the Middle East.

The United States has a responsibility to the nation of Israel, a responsibility we share with every other free nation on the earth. We, as a nation, must protect the freedom of the Israelis to establish and maintain their nation regardless of the distaste for them expressed in the Arab capitals. We have a responsibility to the people of the State of Israel to insure that they need not face the tyrants of the Arab countries who are so bent on the destruction of Israel, for it is the rightly held belief of the United States that all peoples have the right to live in peace and to enjoy the fruits of their labors.

It is obvious now that the Arabs are acting as the pawns of the Soviets and inspired by Moscow. This aggression against Israel is one more even in a chain of recent happenings around the world instigated to harass and cause embarrassment to the United States. Russia in the Mideast is using its friends in the Arab world to activate the war with the added prize offered to the Arabs that they will be able to undo the embarrassment caused them by Israel in 1948 and 1956. And they are now using Arab oil to fight their economic battles for them in their attempt to force the United States to abandon our responsibility to Israel.

The United States must continue its constant vigilance against the aggressors who play the Communist game. Israel has become the object of the most recent attempt and this Nation must not allow them to destroy Israel. The price we pay for vigilance is our inability to respond to acts of violence such as we now witness in the Middle East. While we are contesting aggression in Vietnam, we are being challenged on a new front in the Middle East to see if we are willing to withstand the pressures of this new kind of global struggle. The United States will live up to its responsibility to defend freedom in Southeast Asia and in the Middle East and wherever the Communists wish to test our mettle.

It is time for this Nation to take the necessary action demanded in the current situation to defend Israel from the Arab countries. Israel is opposing the Arabs with all the determination and courage that they have displayed in the creation of their State and the United States can do no less than display the same determination that this outpost of democracy in a desert of despotism shall survive. The United States should be prepared to institute sanctions against the aggressors in the Middle East.

The United States should not just urge that the Arab States return to a peaceful

stance, we must demand it, and be prepared to enforce that demand through the concerted actions of the four powers or the United Nations. We must demand direct negotiations between Israel and the Arabs.

The alternative to action by the United States is the death of Israel. That alternative is unacceptable. I last visited Israel 4 years ago when I saw firsthand the miracle wrought in that land by Israeli initiative and perseverance. I was to have left for Israel and another long-awaited visit on last Sunday, at my own expense I might add, but due to difficulties in arranging transportation, I was not able to go. My trips to the Middle East have been enlightening and have provided me with a knowledge of the area and the people that is invaluable. Six years ago, when I interviewed President Nasser in Cairo, I discovered then the expressed aims of the man and his intense hatred of Israel and America. I speak as one who has witnessed firsthand the dangers faced by Israel in their surrounded and embattled position in the midst of the Arab war machine. This tiny land of Israel, the Middle East's only free nation, must be and shall be preserved.

The United States must lead the way to an implementation of the cease-fire to end the useless destruction of property and to halt the taking of life. After the cease-fire, this Nation must insure the proper atmosphere for a permanent and lasting peace and a final settlement of the questions of boundaries, shipping rights, and the international integrity of the State of Israel by enforcement of a peace treaty not just a truce that will lead to another war. To perpetuate the hollow truce is not enough, nor is a return to the status quo through blackmail. It is the responsibility of the United States to see that Israel be given the assurances of the international community that the next aggression against Israel and her brave people will be answered not by words from sympathetic souls but by action from the free nations of the world. Israel has the unequivocal right to exist and that right should be expressed at the highest level in terms so direct as to be beyond interpretation.

It is past the time for consideration and conferences that produce nothing and waste valuable time. It is time for action by the United States. I call upon the President of the United States to take immediate action to implement the cease-fire and insure the continued integrity of the State of Israel. I further call upon the Congress of the United States to support the President and to guarantee that this Nation is not ready to surrender Israel to a meaningless truce but to insist upon a treaty that will end aggression and provide a lasting peace in this troubled area.

FRANCES PAYNE BOLTON

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 15 minutes.

Mr. FEIGHAN. Mr. Speaker, on the evening of May 22, the Cleveland Men's Club of Washington, D.C., honored our colleague, Mrs. BOLTON, in a rather unique ceremony.

Unique—because the award came from a men's club, but of course many honors have come to our distinguished colleague, who came to Congress in 1940, succeeding her late husband. Of all her interests, perhaps nursing is the one closest to her heart and she has won the undying affection and gratitude of many who have benefited by her compassion and charity in this field. However, this charming, poised, brisk, and forthright woman was destined to take a place of leadership in the history of the U.S. Congress.

She came from a family dedicated to public service. Both of her grandfathers served in the Ohio State Legislature. One of them, Hon. Henry B. Payne, was a Member of this body and a U.S. Senator. She had the singular distinction of having her able son, Oliver, serve with her—the only mother-son team in Congress. She is endowed with a sharp wit and keen sense of humor. She has indeed brought honor to Cleveland as an articulate and well-versed legislator.

If there was a time when she first came to Congress that her male colleagues showed deference to her because she is a woman, and the widow of their colleague, she promptly dispelled that attitude, and by her own firm stand, let it be known that she is here, as their peer, in this great legislative arena, to represent her district—able to assume the same responsibilities they carry, and she has firmly established her ability to hold the office to which she was elected. She has always been able to match her male colleagues in impromptu debate, and has ably earned the award she received for "devoted and distinguished public service."

Following is the award given to Mrs. BOLTON for "devoted and distinguished public service":

The Harold Hitz Burton Award for Devoted and Distinguished Public Service is herewith presented by the Cleveland Men's Club of Washington, D.C., to Honorable FRANCES PAYNE BOLTON, Member of Congress.

For outstanding service as Congressman from the Cleveland 22nd District since 1940, as first woman U.S. Delegate to the United Nations, Dean of the Ohio Republican Delegation and ranking minority member of the House Foreign Affairs Committee, and as an authority on African problems. A mother, humanitarian and lawmaker, she has brought added distinction and honor to the City of Cleveland, Ohio

WASHINGTON, D.C., *May 22, 1967.*

JOSEPH M. GAMBATESE,
President.

EDWARD A. SEITZ,
Secretary.

THE AMERICAN HUNGARIAN FEDERATION CELEBRATES ITS 60TH ANNIVERSARY

Mr. PRYOR. 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. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. RODINO. Mr. Speaker, I am pleased today to have the opportunity to join in commemorating the 60th anniversary of a fine organization, the American Hungarian Federation.

I particularly want to congratulate the leaders of the federation at this historical juncture for outstanding service not only to Hungarian immigrants who are now productive and happy citizens of our country, but also to our society at large.

For in its history of 60 years, the American Hungarian Federation has sought to acquaint new citizens and immigrants with the tenets and forms of the American way of life and has helped them become good citizens and loyal members of American society. At the same time, the federation has endeavored to preserve the culture and traditions of American Hungarians through generations from Col. Nicolas de Kovats of George Washington's army; through the Hungarian brigade during the Civil War to Edward Teller; and to the many soldiers of Hungarian descent now fighting the battle against Communist aggression in Vietnam like their brethren had fought the Russian tanks in Budapest a little more than 10 years ago.

The American Hungarian Federation is not only a national representation of Americans of Hungarian heritage with 120,000 members in its constituent organizations, but it is also a realization of an ideal: the ideal of freedom and individual dignity, loyalty to America, and an active interest in the human rights of the country from which they come, or from which their ancestors came.

Today it is heartening to see that Americans of Hungarian heritage, together with other Americans from many diverse backgrounds, are united in the defense of the values and traditions that have made this country great and free.

Mr. Speaker, the glow of freedom and the desire for fulfillment of human rights remains alive in Hungary as well as in the loyal hearts of our citizens of Hungarian descent. I hope that the American Hungarian Federation will continue to preserve the unity of the American Hungarian community and its devotion to the principles of our way of life and to the rich traditions of Hungary during these difficult days of dissent and unrest in America.

STRONG CIVIC SUPPORT FOR PRESIDENT JOHNSON'S DISTRICT OF COLUMBIA REORGANIZATION PLAN

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

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

There was no objection.

Mr. REUSS. Mr. Speaker, President Johnson's reorganization plan for the District of Columbia government enjoys the strong support of many outstanding business, civic and political groups in this area and across the country.

This strong support is a tribute to the soundness of the plan and the obvious necessity for its implementation to bring

modernization to the government of our Nation's Capital.

In recent days, the U.S. Conference of Mayors, headed by Detroit Mayor Jerome P. Cavanaugh, has gone on record as warmly supporting the reorganization plan.

Said the conference of mayors:

> Within the restraints imposed by Congress, this plan places full executive responsibility in the single office of a District official and places legislative responsibility within a council of the community. We will support the President's plan in Congress as the best possible way, short of the vote, of the people of the District to bring representative government to this Hub of the nation's fastest growing metropolis.

These same sentiments were echoed by the Committee on Community Relations of the Archdiocese of Washington, which said:

> This plan promises to bring a new element of public representation and responsibility to the citizens of Washington . . . We encourage the support of the reorganization plan by everyone who believes in the principle of efficient and responsive local government.

Strong endorsements have also been sent by the Presbytery of Washington, and the Cooperative Lutheran Parish.

The League of Women Voters of the District declared:

> Long years of experience in working for more effective city government convinces us that the change to a single executive is of urgent importance for greater governmental capacity to act on the wide-ranging, interrelated needs of the District.

These endorsements underscore the strong civic support for this reorganization plan. The fact is that 800,000 residents of Washington look to this plan to help fulfill the growing needs of this complex, burgeoning Capital City.

I commend those community leaders who have championed the President's reorganization plan. I believe my colleagues on both sides of the aisle are impressed with the overwhelming support this plan enjoys and will join with the community in supporting this proposal.

TVA, UNIONS MARK 30 YEARS OF HARMONY

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

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

There was no objection.

Mr. FULTON of Tennessee. Mr. Speaker, "TVA, Unions Mark 30 Years of Harmony." That was a happy headline to read in the current issue of the AFL–CIO News.

Since we read so many headlines telling about war, riots, murders, and strikes, it is refreshing to get the other side of the picture, and to commend both management and labor for cooperation that has continued for over a quarter century. In particular, Mr. Speaker, it should be noted that this cooperation involves an agency of the Federal Government—demonstrating that contrary to the views of some pessimists, collective bargaining is entirely feasible in public employment. Under unanimous consent, Mr. Speaker, I insert the article in the RECORD at this point:

TVA, UNIONS MARK 30 YEARS OF HARMONY

CHATTANOOGA, TENN.—Three decades of harmony between the Tennessee Valley Authority and the Tennessee Valley AFL–CIO have produced a "yardstick" of labor relations for the entire power industry, Pres. Gordon M. Freeman of the Intl. Brotherhood of Electrical Workers declared here.

Freeman returned to his former home to speak at a banquet highlighting the central labor body's annual valley-wide conference, which marked 30 years of successful collective bargaining. The two-day session drew nearly 750 representatives of labor and management from all the TVA states and included a number of high-ranking union officials.

SUCCESS HAILED

"The success of this yardstick merits its support," Freeman said in hailing the years of cooperative labor-management relations.

Dir. William E. Simkin of the Federal Mediation & Conciliation Service praised the bargaining relationship as "a living monument deserving of careful study and emulation by other governmental agencies and unions representing government employees."

In other parts of the country, he said, relations between federal agencies and unions of their employees are at about the stage that industry passed through in the late 1930s and early 1940s. Agreements, he warned, should be studied with "great care" by union and government officials who are new at bargaining with each other.

Chairman A. J. Wagner of the TVA board of directors renewed "my personal commitment" to the labor relations program and paid tribute to the TVA's first board for "the wisdom and foresight that made possible this partnership between union and management which has flourished and grown."

He also gave a brief review of the TVA's growth and outlined plans for future moves.

Other speakers included Pres. John McConnell of the University of New Hampshire and Dr. John Dunlop of the Harvard University Dept. of Economics. Presiding at various sessions were Pres. C. C. Hobbs of the valley AFL–CIO and John E. Massey, TVA personnel director; L. J. Van Mol, TVA general manager, and Don McBride, a TVA director.

Union officials present included Pres. Thomas J. Murphy of the Bricklayers; Pres. John H. Lyons, Jr., of the Iron Workers; Pres, Hunter P. Wharton of the Operating Engineers; Pres. S. Frank Raftery of the Painters and Pres. Matthew Lynch of the Tennessee AFL–CIO.

Also, Vice Pres. Maywood Boggs of the Boilermakers; IBEW Vice Pres. W. D. Petty; Vice Pres. John Walsh of the Iron Workers; Vice Pres. G. K. Fritts of the Painters and Treas. Peter Terzick of the Carpenters.

A SOCIAL ROLE FOR PRODUCTIVITY

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

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

There was no objection.

Mr. HOLLAND. Mr. Speaker, all of us know that American working men and women have been producing more and more in recent years. Irving Beller, an economist in the AFL–CIO Department of Research, says in an article in the current edition of the American Federationist, published by the AFL–CIO, that productivity today is twice as much as it was 20 years ago and that this increase seems likely to continue.

Mr. Beller's article tells how productivity is measured, looks at trends, declares that the worker has not received his fair share of the wealth he helps produce, and asserts that the proper use of the benefits of higher productivity means that urgent social problems can be solved.

Since I found the report most informative and I know that many of the rest of us would like the opportunity to ponder its points, under unanimous consent, Mr. Speaker, I insert the text of Mr. Beller's article in the RECORD as follows:

A SOCIAL ROLE FOR PRODUCTIVITY

(By Irving Beller)

The American worker today produces nearly twice as much as he did 20 years ago. Employes in the private sector of the economy are turning out $4.97 worth of goods and services during each hour of work this year, compared to $2.59 in 1947 (in terms of 1966 prices).

If productivity continues to grow at the same pace, by 1969 the value (in constant dollars) of goods and services produced during each hour of work in the private economy will be more than double that of 1947. And, if it continues for another 11 years beyond then, in 1980 Americans could have as much income per person as they now have by working 24 hours per week, 31 weeks per year—or retiring altogether at the age of 44 or less.

This enormous increase in productive power explains much about American development in recent years. It explains in part, and frequently in large part:

Why job opportunities are shifting from agriculture and manufacturing to services;

Why unit labor costs for production and maintenance workers in manufacturing have remained virtually constant during the last dacade despite increases in the average hourly compensation of factory workers;

Why profits have skyrocketed in spite of the general rise in employe compensation;

How federal, state and local government purchases of goods and services can expand even while consumers and business expenditures are rising; and

How the annual increase in per capita output in the United States can be greater than the entire per capita output in over 40 nations.

Lower costs, rising income and greater leisure are universal goals. Higher productivity is, therefore, a primary target not only of the United States but of all nations. The government of Great Britain, another advanced industrial nation, is urging far-reaching changes in British institutions, customs and attitudes in order to increase productivity. And the developing nations, representing two-thirds of the people of the world, are struggling desperately to increase productivity and lift their economies into the 20th century.

WHAT IS PRODUCTIVITY?

Productivity is a measure of efficiency in production. Like other measures of efficiency familiar to everyone, it expresses a relationship between a result and something required to produce that result. The efficiency of a baseball player is measured by comparing the hits he produces with the number of times he comes up to bat; of a football player by the number of yards he gains compared to the number of times he carries the

ball; and of an automobile by the number of miles it travels compared to the number of gallons of gasoline it uses.

Similarly, efficiency in the factory, the store or the office can be measured by comparing the output of goods or services with the number of hours of work required to produce such goods and services. The result is a rate—output per manhour—which indicates how much can be produced by the labor of one person during one hour.

The rate of productivity will remain the same if both the output and the hours of work to produce it remain constant or if both change at the same pace. However, the rate of productivity will increase:

If output rises faster than working hours;

If output rises without any increase in hours at all; or

If output remains the same while hours of work decline.

The rate of productivity will increase, in fact, even when output is falling if hours of work fall even faster.

The actual measurement of productivity leads to greater complexity. Output, the upper part of the productivity ratio (output divided by hours of work), would be easy to measure if all units of production were identical. Simple addition would be all that would be necessary. In most cases, however, measuring output is more complicated. Since most plants produce a variety of products, combining physical units of production would not yield a useful measure of total production for the plant as a whole and certainly not for the economy as a whole. Adding cheesecake, autos and shoes together would make little sense.

When adding physical units of production is not feasible, an alternative method of determining the value of output is available. The dollar value of all goods and services produced can be added together after adjustment for price changes.

If the price adjustments are inaccurate, of course, the result will not reflect real changes in output. For example, recent studies show that inadequate price adjustments have led to an understatement of the real changes in the output of the construction industry and, consequently, to an understatement of that industry's productivity growth. Normally, however, this method results in a reasonably accurate estimate of the physical changes in output.

The lower part of the productivity ratio, hours of work, is only one of the factors required in the production process. Other factors could be used to measure productivity, also. It could be measured in terms of output per dollar of investment in plant and equipment, in terms of output per kilowatt of electricity or output per unit of raw material.

Hours of work are most frequently used, however, because they are involved in all production, because they are relatively easy to measure and because information about output per manhour throws light upon crucial economic matters such as employment and unemployment, unit labor costs, profits and economic growth in general.

Output per manhour figures for the total private economy are published annually by the Bureau of Labor Statistics of the U.S. Department of Labor. The figures are based on the value of goods and services produced in this sector (adjusted for price changes) and the corresponding hours of all persons employed. They are the most comprehensive official productivity statistics available. They cover 85 percent of total economic activity, including governmental functions such as the Tennessee Valley Authority and the Post Office. Other governmental activities are excluded because of the difficulty of determining the value of goods and services which are not sold.

The Department of Labor also publishes indexes of output per manhour for the farm and non-farm sectors of the economy. In addition, it publishes indexes for a small number of separate industries.

Productivity figures for most industries, however, are either nonexistent or, if developed by trade associations, they are frequently not a matter of public record. This is even more true of productivity data for particular companies. Unions seeking information about productivity must, therefore, often make their own estimates based upon limited government data, bits of information in financial reports to stockholders and to the Securities and Exchange Commission, and their own educated guesses.

PRODUCTIVITY TRENDS

According to government figures, between 1909, the earliest year for which official data is available, and 1966, output per manhour in the total private economy almost quadrupled. On the average, it rose at an annual rate of 2.3 percent.

Although the trend throughout this period was clearly upward, there were distinct differences in the rate of productivity growth from year to year and from one subperiod to another. In view of the major economic and social changes which occurred during these 57 years, such differences are not surprising. It was a period, after all, of two world wars, one catastrophic depression, 12 recessions and several intervals of rapid economic growth.

In spite of such variations, the upward trend continued and even accelerated. This acceleration in the rate of productivity growth is clear, whether or not the extremely abnormal years of depression and world war following 1929 are included.

From 1909 to 1919, output per manhour in the total private economy increased by less than one percent per year. It speeded up perceptibly after World War I and it moved ahead even faster following World War II as computers and other forms of automation spread rapidly. During each of these periods, the average yearly rates of change were as follows:

	Percent
1909 to 1919	0.7
1919 to 1929	2.5
1929 to 1947	2.2
1947 to 1966	3.3

At first glance, an increase of about one percentage point may appear to be insignificant. Actually, its significance is enormous. If productivity had grown only 2.2 percent instead of 3.3 percent since 1947, it would have taken about 700,000 more workers each year to produce the same amount of goods and services.

What is more, the overall rate conceals enormous increases in productivity in particular sectors and particular industries. In the agricultural sector, output per manhour rose at the phenomenal rate of 6.2 percent from 1947 to 1966. Among the industries for which official productivity figures are available, output per manhour for all employes rose at these yearly rates between 1947 and 1964:

	Percent
Gas and electric utilities	7.4
Cigar manufacturing	6.6
Petroleum refining	5.7
Communications	5.5
Primary aluminum	5.4
Railroads	4.8
Hydraulic cement	4.8
Hosiery	4.5

In virtually all of these industries, output per manhour for production and maintenance workers alone increased even more rapidly than for all employes combined.

FUTURE PRODUCTIVITY GROWTH

Overall, productivity is certain to continue to move upward. There is good reason to believe, moreover, that it will move upward even faster than it has thus far.

A projection of the nation's economic growth prepared for the Joint Economic Committee of Congress last year—a projection described as "a practical target" based on assumptions reflecting "past relationships and trends in the economy as well as current and known policies"—assumes output per manhour in the private sector will average 3.5 percent from 1970 to 1975.

Another projection, one made by the highly respected National Planning Association, "subject to the constraints both of institutional arrangements (e.g., absence of price or wage controls) and economic feasibility," assumes an average 3.5 percent growth in output per manhour for the period from 1965 to 1976.

Why is it reasonable to assume that the growth of productivity in the future will be even greater than it has been in the past?

At any point in time a host of factors are at work, influencing productivity at that time and far into the future as well. Among those which seem certain to push the rate of productivity upward in the period ahead are the following:

1. The profound changes which automation and other recent technological developments have made in the way of producing goods and services are only a beginning. Further changes are bound to be rapid and far-reaching. Within the past decade, company expenditures on research and development have about doubled; federal research and development expenditures have quadrupled. The number of scientists and engineers has increased from a little over one quarter of a million in 1938 to over a million in 1960 and is expected to reach about 2 million in 1970.

Also, information concerning new developments in science and technology is being distributed far more widely and systematically through trade journals, professional publications, conferences and special government efforts.

For these and other reasons, "in the estimation of most working technologists, the next stage of advance is likely to be by far the most expansive in this century," a recent article in Fortune magazine notes. It is likely, as Fortune observes, to result in the regeneration of old industries such as ground and sea transportation and construction. It is also likely to invade those service sectors in which productivity has lagged in the past as these become increasingly important. "Invention follows the lure of profit," declares economist Robert Heilbroner and, therefore, "one would expect the service occupations which now bulk so large in the spectrum . . . to be interesting to work with from a profit-potential point of view."

2. Investment in plant and equipment has grown at a phenomenal rate in the past three years. In each of these years, such outlays have exceeded those of the previous year by an average of almost 12 percent in real terms. This was over twice the average annual rate of growth in Gross National Product (the total value of all goods and services produced) for the same period. Not only was the level of investment exceptionally high, but also much of it embodied the latest technology. Some payoff in terms of increased productivity should begin to appear shortly.

3. Recent advances in government policies and programs in three areas in particular could have an even more telling effect upon productivity in the years ahead. Between 1953 and 1960, the rate of productivity advance was considerably below the average for the postwar period as a whole. The reason for this is not hard to find. The economy was permitted to operate well below capacity during this period. "Even the manpower employed was not fully employed," says Professor Neil Chamberlain. Since existing equipment was also less than fully employed, business had far less incentive than it would otherwise have had to invest in new and more modern plant and equipment. Thus, the persistent under-utilization of resources during this period affected current produc-

tivity and, by discouraging investment, it affected future productivity as well.

Between 1961 and 1966, however, the emphasis in national economic policy shifted. A narrow concern with balancing federal expenditures and federal revenues was replaced by a determination to achieve more rapid economic growth. Expansionary government measures were adopted to boost production and sales and, as a result, the U.S. experienced the longest peacetime expansion in its history.

The expansionary policies of the Sixties made it possible for the nation to use its resources more fully and more efficiently. If such policies are retained and strengthened, men and machines will continue to be used more efficiently. Furthermore, the rate of investment is likely to be higher and more stable than in an economy which alternates between periods of recession and slow growth.

A second area of government policy certain to pay enormous dividends in terms of higher productivity is the recently stepped-up investment of federal funds in human capital formation—in the development of creative, intelligent, productive human beings. Professor Frederick Harbison declares "that investment in man is equally as important as investment in material things and that a country's rate of growth is dependent as much upon the development of human resources and the rate of human capital formation as upon its rate of physical capital formation." Studies indicate, in fact, that the increase in education and general knowledge have accounted for fully 40 percent of U.S. economic growth in recent decades.

Certainly, future productivity growth will benefit enormously from the increased funds recently allotted to educational programs at all levels, including the Head Start program, the work-study program, the GI Bill, and the Manpower Development and Training Program. This is equally true of the many new programs designed to improve the health of the American people, including medical assistance for the poor under Medicaid and grants for the construction of additional health facilities and the training of medical personnel.

Closely related to investment in human beings as a source of future productivity growth is the effort to eliminate racial discrimination. The Negro people still constitute one of the great untapped resources of America. The steps thus far taken to provide Negroes with equal opportunity in education and employment are only a beginning. Further progress, however, must surely come and when it does it will provide still another powerful boost to the nation's productivity.

The importance of achieving the full measure of productivity which these and other forces make possible is enormous. In the years ahead, the growth in the American labor force and the elimination of existing unemployment could result in a yearly increase of about 1.7 percent in total hours of work (even after allowing for a decline in hours of work per person).

If output per manhour in the private economy rises by 3.3 percent during this period, output per manhour in the total economy (as conventionally estimated) would rise by about 3 percent. An increase of 3 percent in output per manhour, combined with an increase of 1.7 percent in manhours of work, would yield a 4.7 percent increase in production for the economy as a whole.

With only a tiny boost in productivity, however, production for the economy as a whole could increase by 4.9 percent annually. On the surface, the change appears minute. Over the next 10 years, however, this difference of two-tenths of a percent in the annual rate of growth would increase the amount of goods and services available for distribution by more than $109 billion for the decade as a whole, or about $11 billion a year, on the average (in terms of 1966 dollars).

THE NEED FOR FULL EMPLOYMENT

The importance of increasing productivity is apparent. However, a society which aspires to greatness must do more. It must increase productivity without injuring millions of people in the process. Secondly, it must pay careful attention to how the gains of increasing productivity are used.

Rapidly rising productivity can create enormous problems. As a mater of fact, the promise of rising productivity can be transformed into the reality of mass unemployment in which income disappears and leisure becomes worse than meaningless.

Rising productivity makes it possible to produce as much as before with fewer workers. One way to provide jobs for all those previously employed is to reduce hours of work. Another way is to produce more goods. Unless hours of work are shortened, production and sales must grow as fast as productivity in order to maintain existing levels of employment. In fact, to prevent unemployment from rising, output must grow even faster than productivity since the number of people seeking jobs is continually growing.

Average hours of work declined during the decade after 1953. Nevertheless, the combination of rapid advances in productivity and rapid growth in the labor force required a growth in production of about 4 percent just to prevent unemployment from rising. Unfortunately, the growth in production which occurred during this period averaged only 2.9 percent. As a result unemployment rose sharply. It reached 6.8 percent of the civilian labor force in 1958 and remained above 5 percent for 6 years thereafter.

Since then, the economy has grown at a much more rapid pace. It has grown rapidly enough to offset increases in productivity and in the labor force and to reduce unemployment as well. The U.S. still has not reached full employment. Nevertheless, we have seen that when government policy is deliberately designed to increase sales and production we can avoid the hardship which rising productivity in combination with lagging sales has imposed in the past.

Full employment and rapid economic growth will not, of course, solve all the problems created by rising productivity. Even if overall unemployment declines to 3 percent or less in the future, there will almost certainly be fewer jobs than there are today in mining, agriculture, petroleum refining, railroad transportation and possibly in auto and steel manufacturing as well. In each of these the prospect is for output per manhour to grow more rapidly than output, even though the economy as a whole is operating close to capacity.

This means that many workers in industries which are declining or growing slowly will have to change jobs. Some will suffer a period of unemployment while making the transition. Some will drop to the bottom of the seniority ladder, losing their accumulated rights in pensions, insurance and vacations. Some will be compelled to uproot their families and move to other areas. And some will have to accept lower paying jobs.

In a full employment economy, however, the problems of displacement can be minimized and the victims more easily protected. A full employment economy reduces layoffs; creates more openings for the disadvantaged and the unskilled; increases opportunities for training and promotions; exerts upward pressure on substandard wages; makes more funds available for public programs; and provides a more favorable environment for collective bargaining.

For these reasons, full employment is the one requirement for adjusting to technological change which stands out above all others. This is why the economy must grow rapidly enough to reduce unemployment to 2.5 percent of the labor force or even lower and why it must keep expanding production at a rate of about 4.5 percent a year thereafter—the rate required to offset potential growth in productivity and the expected growth in the labor force in coming years.

SHARING THE BENEFITS OF RISING PRODUCTIVITY

America, however, must concern itself with more than rapid economic growth. It also must be concerned with the distribution of the gains resulting from rapid growth. The sharing of productivity gains must be equitable, it must give priority to social needs and it must not block continued economic growth.

As a matter of equity, all groups are entitled to share the benefits of rising productivity. No one group can claim all the credit for the steady increases in productivity the nation has enjoyed and no one group is, therefore, entitled to all the benefits which flow from such increases.

Business investment in machines and management skill increase productivity, but they are not the only sources of increased productivity. American labor's willingness to accept change and to spend time and money in developing new skills are also basic factors in this process.

In fact, if an attempt were made to disentangle the various sources of productivity and to place a value on each, one might well conclude that the most powerful single source of productivity growth is society in general. Public agencies at the local, state and national levels make an enormous contribution through the accumulation and transmission of knowledge, the support of research and development, the construction of roads, airports, hospitals and other public facilities, the maintenance of law and order, the elimination of trade barriers between states and countless other activities.

As a matter of social justice, Americans cannot overlook the fact that close to 50 million people either live in poverty or hover on its edges and that one group in particular, the Negro people, has been shut out and denied basic human rights. This imposes a special obligation upon the nation—an obligation to devote a major portion of its productivity gains to the correction of such injustices as quickly as it possibly can.

Continued economic growth also requires that productivity be properly channeled. Consumers are the main source of demand. They purchase about 70 percent of all the goods and services produced. They are able to do so primarily because of the income they receive as wages and salaries.

If wages fail to rise sufficiently, while profits and dividends and other forms of income increase disproportionately, consumer demand for goods and services will lag. Wealth will become concentrated in the hands of those who tend to save much of their income or to invest it. And the result, inevitably, will be a further widening in the gap between the ability to produce and the ability to consume.

In the 1930s, America had an unforgettable demonstration of what happens when business retains the lion's share of the benefits of increasing productivity. A lopsided distribution of income combined with other factors to deprive growing mass production industries of their mass markets. As a result, the American economy was thrown into the worst tailspin it has ever experienced.

This year the nation has received another reminder of the dangers of imbalanced income flows. Fueled by a fantastic growth in profits, business investment in plant and equipment soared to a level which could not possibly be sustained. The splurge in investment brought vast amounts of new productive capacity into being at the very time that the growth of consumer purchasing power and consumer expenditures was slowing down. As a result of these and other factors, the longest peacetime expansion in the na-

tion's history reached a virtual standstill in the first quarter of 1967.

PUBLIC AND PRIVATE POLICIES

The implications for public and private policy are clear. The government must help close the gap between actual and potential production by increasing expenditures for the nation's most urgent needs.

Measures to stimulate profits and investment which have received so much emphasis in the past are only likely to widen the gap.

"We have to recognize," Walter Heller, the former chairman of the Council of Economic Advisers, has said, "that too rapid expansion of capital goods production can generate inflation . . . undermine our international competitive position . . . and create overcapacity . . . Extremism in the pursuit of productivity through private capital spending can be a vice, at least temporarily. To distinguish between economic vice and economic virtue and adjust policy accordingly is absolutely essential for balanced economic expansion."

Instead of the emphasis on capital goods investment, balanced economic expansion, equity, justice—and higher productivity as well—call for greater public investment in the training, education, health and other needs of people. This investment is needed particularly for poor people whose development has suffered because of past underinvestment in human resources.

They call for greater expenditures to make the cities more pleasant and more efficient places in which to live and work. They call for the creation of jobs for millions of unskilled workers in badly needed public service employment; for higher minimum wages; for improved welfare programs and for many other kinds of action which only governments can undertake.

In fact, much of what has to be done by government today, including the remaking of the cities, the elimination of air and water pollution and the stepped-up manpower programs, involves either reparation for the ravages of past technological change or adjustment to the new requirements imposed by such change.

The proper distribution of the gains of increasing productivity will depend to an even greater extent upon decisions made in the private sector. If these decisions are based on a rigid and unrealistic formula tying wage increases to productivity increases, the distribution is likely to be neither equitable nor economically sound. They must be based instead on a flexible application of the basic principles underlying the relationship between wages, prices, profits and productivity.

These principles should become a standard part of the education of every American. It should be a matter of common knowledge, for example, that wages can go up without putting pressure on prices. While hourly pay has been increasing over the years, so has output per manhour. When both rise at the same rate, unit labor costs (hourly labor costs divided by hourly output) remain constant.

And when hourly pay rises less rapidly than output per hour, unit labor costs go down. In the former case, the higher compensation exerts no pressure on prices. In the latter case, it even leaves room for price cuts. The cost of labor per hour goes up but the unit labor cost remains the same or declines.

If unit labor costs fall or remain constant, there is no need to raise prices because of labor costs. The consumer pays for labor by the unit, not by the hour. When he buys a pencil or makes a telephone call, the price which he pays must cover the cost of the labor embodied in the pencil or the call, not the cost of labor per hour.

Secondly, when wages are rising as rapidly as productivity, profits can rise just as rapidly without any increase in prices. Since more items are being produced each hour at the same unit cost (assuming that unit costs for material and all other things, as well as labor, remain constant) total profits can rise as a result of greater sales volume. If the employer now has twice as many items to sell at the same price as before, his profits can double even though the profit on each item remains the same.

Total profits can more than double, as a matter of fact, because some unit costs are likely to fall as output increases. Such overhead costs as rent, for example, may remain fixed regardless of the level of output. When output rises, the burden of such fixed costs can be spread over more units of production. Therefore, even though unit wage costs remain the same, other unit costs may decline, allowing unit profits to rise and total profits to go up even faster than productivity.

Thirdly, it should be clearly understood that if the general price level is to remain stable, some industries must lower their prices. Industries with exceptional gains in productivity will have lower unit labor costs even if they grant liberal wage increases. They can lower their prices to offset the higher prices charged by industries with only small gains in productivity.

Finally, as the original formulation of the wage-price guideposts indicated, there is no basic reason why wages should always be limited to productivity increases alone and why labor and non-labor incomes should rise proportionately. The 1962 Economic Report of the Council of Economic Advisers stated:

"The proportions in which labor and nonlabor incomes share the product of industry have not been immutable throughout American history, nor can they be expected to stand forever where they are today. It is desirable that labor and management should bargain explicitly about the distribution of the income of particular firms or industries. It is, however, undesirable that they should bargain implicitly about the general price level."

Business pricing policies, however, have largely ignored these principles. For example, even though unit labor costs in manufacturing fell 1.6 percent between 1960 and 1965, the wholesale price index for manufactured goods rose 1.7 percent. And in 1966, when unit labor costs in manufacturing rose 1.7 percent as a result of increased social security contributions and the efforts of workers to catch up with the rising cost of living, the wholesale price index for manufactured goods jumped 2.8 percent.

As a result, workers have been shortchanged. They have not shared equitably in the gains made possible by increasing productivity during recent years—not even by the Administration's guidepost standards which sought to achieve stable unit labor costs and hence stable prices by tying wages to the national productivity trend.

From 1960 to 1965, the real hourly compensation of all employes in the private economy (including salaried employes, including fringe benefits, including employer contributions for social insurance and even before the deduction of taxes) went up 2.5 percent, not 3.2 percent as they would have had the guideposts for prices and wages been fully observed. And, in 1966, this all-inclusive measure of real hourly compensation of all employes rose only 2.7 percent. In manufacturing, the corresponding real increases were even less; they were 2.2 percent annually during 1960 to 1965 and only 1.8 percent last year.

Even more striking are the figures which show how badly production workers alone fared. In 1966, a year in which the Gross National Product rose by 5.4 percent, the real buying power of the average factory worker's weekly take-home pay actually declined. In spite of a lengthened workweek, the weekly take-home pay of a factory worker with three dependents, after taxes and after adjusting for price changes, dropped three-tenths of 1 percent last year.

Corporate profits after taxes, on the other hand, have risen almost twice as fast as the Gross National Product and about twice as fast as the compensation of all employes. As a result, the distribution of income has grown more unequal. For the six years, 1961 to 1966 as a whole, the total compensation of all employes in the private economy fell more than $50 billion—more than $8 billion per year—short of the amount it would have been if the incomes of all employes had risen sufficiently to provide them with a real hourly increase of 3.2 percent a year, the increase required under the guidepost formula to maintain the proportionate shares of labor and non-labor income. This is one measure of how workers have been shortchanged in recent years.

The disparities have been so striking that Gardner Ackley, the present Chairman of the Council of Economic Advisers, felt compelled to warn a U.S. Chamber of Commerce audience in May of 1966 that "now that profits after taxes . . . are providing the highest sustained rate of return on owner's equity in our modern history, it is time to ask whether a further rise in the share of profits after taxes . . . are providing the highest of the health of the nation's economy or in the interest of business itself."

The erosion of wage gains by price increases in recent years illustrates why other factors besides productivity must be considered in collective bargaining. If wages rise only as rapidly as productivity when prices are rising, workers will not receive real increases which correspond to the gains in productivity. When prices rise, a 3.2 percent increase in money terms is not 3.2 percent in real terms. When prices rise as they did last year at the rate of 2.9 percent, a 3.2 percent increase in money terms leaves a worker with only a .3 percent increase in purchasing power. When they rise that rapidly, not even a 5 percent wage increase will yield the 3.2 percent increase in purchasing power which presumably the guideposts would provide if all parties abided by them.

To restore balance between income flows and to achieve balanced economic growth, parties to collective bargaining must, therefore, consider changes in the cost of living as well as productivity trends. They must also consider past as well as current and potential profit levels, the need to eliminate substandard wages and a host of other factors as well. Rigid adherence in collective bargaining to a single factor such as productivity can only lead to a continuing lag in real earnings behind the nation's rising productive efficiency, a continuing decline in the share of national production going to labor and a serious weakening of consumer markets.

The shameful waste of America's enormous productivity as a result of such lopsided developments need not happen again. With proper public and private policies, sales and output can grow rapidly enough to provide useful work for all at the highest levels of productivity the nation is capable of achieving.

Such growth is vital. Even the most rapid economic growth possible will not be rapid enough to satisfy all of our needs and aspirations in the next decade. Moreover, the faster such needs are satisfied, the faster we can reduce hours of work and provide the leisure necessary to realize our full potential as human beings.

Higher productivity and the greater output it makes possible must, therefore, be a major concern even in a country as wealthy as America.

But higher productivity cannot be the only concern. A Great Society must also be concerned with the proper uses of productivity. The income it creates must be shared

equitably to assure markets for all that we are capable of producing and a major portion of that income must be used to eliminate poverty, to wipe out the effects of years of discrimination and under-investment in human beings, to protect the victims of technology against unnecessary hardship, to repair the damage to the environment wrought by technological change and to assist millions of people in other parts of the world who are living in abject misery.

Only by using the nation's vast productive powers to cope with such fundamental problems can we be sure that productivity will grow even more rapidly than it has in recent years and become a major source of well-being for all people.

COMMUNISM AND THE DOUBTING STATE DEPARTMENT

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

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

There was no objection.

Mr. RARICK. Mr. Speaker, the American people are unable to adjust their thinking to policies of the Department of State. Especially is this true in "no win" policies and wars without goals.

Possibly the State Department theorists have been so busy talking only to themselves that they believe one another.

As far back as 1962, the U.S. Senate Committee on Armed Services, Special Preparedness Subcommittee, completed a report upon its investigation of military cold war education and speech review policies. Under my unanimous-consent request I present subtopic D of chapter II, "Application of Policy Censorship to Cold War Themes" which relates to State's policies, to be here inserted for all my colleagues to review and evaluate. State's "party line policy" does not appear to have changed one iota in 5 years of losing.

D. APPLICATION OF POLICY CENSORSHIP TO COLD WAR THEMES

The carving out and separation of the strictly military aspects of the cold war is a virtual impossibility. President Eisenhower succinctly expressed the inseparability of military and nonmilitary considerations in his statement to the subcommittee as follows:

"I need not remind this committee, especially, that in these times military considerations and economic, political, and ideological considerations are interrelated to such a degree as to make an arbitrary dividing line between the military and the nonmilitary increasingly unrealistic—a truth, indeed, which gave rise 15 years ago to the establishment by law of the National Security Council (H-6)."

This undeniable fact undoubtedly accounts for the absence of any serious attempt to enforce those portions of Department of Defense Directive 5230.13 and Department of Defense Guidance No. 18, confining the public statements of personnel of the Department of Defense to strictly military policy. Any statement about our defense posture or policy can be interpreted as containing foreign relations implications. This interlocking of military and nonmilitary matters makes the judgments handed down by the Directorate of Security Review as to whether foreign policy or foreign relations are involved in any particular material purely subjective. The special emphasis placed by the Secretary of Defense on the Defense personnel not infringing on foreign policy resulted in their adopting a more cautious approach, and watering down what they had to say. Doubts of Department of Defense reviewers were resolved in favor of submission of the material to the State Department for review.

Within the framework of the inherent overlapping of military considerations into nonmilitary areas, a study of the material changed or deleted by the State Department, or by the Department of Defense under guidance of the State Department, revealed that rarely did the censored material deal with subjects which were primarily in the area of foreign policy or foreign relations. Even more rare, and virtually nonexistent, was the inclusion in a proposed speech or article submitted for review by Defense personnel of material indicating intent to controvert established—and well-known—foreign policy.

The speeches, prior to censorship, do reflect the nature of the Communist offensive as viewed by the speaker from the vantage point of his knowledge and experience. It is at this point that the majority of deletions and alterations made in the process of censorship appear; and since the deletions and alternations reveal the conflicting views as to the nature of the problem, they also reveal the policies and attitudes based on a particular view with which the censor quite obviously sought to make the submitted material consistent.

The application of policy censorship to cold war themes, as carried out by State Department censors and by Defense Department reviewers under State guidance, went beyond the achievement of consistency or "one-voice" on foreign policy. Applied to subject matter of this type, policy censorship was obviously directed also at maintaining "one-voice" regarding the nature of the problem—the international Communist conspiracy—which military, economic, and diplomatic policies are supposed to solve. A study of the censorship of cold war themes shows that the basic conflict in approaches to policy formulation is rooted in a more fundamental conflict than the policy itself. The basic conflict stems from disagreements on the nature of the menace and, obviously, the manner in which the problem is pictured limits the choice of antidotes.

1. SOURCES OF CENSORSHIP

Once the fact and nature of the policy censorship of cold war themes were established by the subcommittee, the responsibility devolved upon it to determine whether the censorship represented conscientious and efficient application of established government policy, individual opinion, or a misapplication of policy through misinterpretation or inefficiency. Examination by the subcommittee of the individual who made a particular change or deletion could conclusively resolve the question in each instance. The subcommittee was prevented from achieving this because it was unable to determine the identity of the individual who censored any particular speech or portion of it.

The organization and procedural system of censorship, both in the Department of Defense and the Department of State, is impervious to attempts from outside the system to pinpoint the origin of any particular censorship action. The subcommittee was able, without difficulty, to determine the identity of those assigned presently, or in the past, to the Directorate of Security Review in the Department of Defense. Because of the way the censorship system operates, this by no means was indicative of the identity of whomever originated a particular censorship action. Personnel of the Directorate of Security Review normally confer and coordinate their work with the "gray-flanneled field marshals," as the civilian appointees in the various staff sections at Department of Defense level are popularly known, or with the uniformed assistants to these civilian officials.

By far, the bulk of the policy censorship of statements dealing with communism, the "cold war," and related subjects was accomplished somewhere in the State Department, rather than in the Department of Defense (H-412).

Whether a particular speech was referred to the State Department depended, at least prior to the change in procedures which came about largely as a result of the investigation, on the individual judgment of the reviewing officer in the Directorate of Security Review as to whether the particular subject matter was or was not in the field of foreign relations (H-304-305, 358). No specific directives or guidelines could be found by the subcommittee which would enable personnel in the Directorate of Security Review to determine with consistency whether any particular subject matter proposed for an article or speech fell within the area of foreign policy. What a reviewer in the Navy branch of the Directorate of Security Review might consider a historical analysis of Communist imperialism, the reviewer in the Army branch might consider as dealing with foreign policy, with the result that of two speeches containing the same materials, one might be sent to the State Department, the other not.

Presumably, records are available within the Department of Defense and the Department of State as to what person reviewed or censored each speech or article, and the subcommittee requested this information from officials of both (H-337-338, 730-731). Officers of both Departments, confronted with demands for the identity of the censors of particular speeches, acting under authority and direction of the President of the United States, invoked "Executive Privilege" and refused to answer. The noncooperative attitude officially adopted by the administration, in deliberately and defiantly withholding information from the subcommittee, effectively prevented it from pinpointing the source of censorship in any particular case, thereby blocking conclusive determination of the basic question as to the reason for the censorship. It was not sufficient for the subcommittee to be given the names of those who comprised the group doing the censoring unless individuals could be interrogated about why they made specific speech alterations.

The information sought by the subcommittee was essential to the determination of the true origin of the censorship. No personal papers of the Executive were sought. Nevertheless, as soon as the issue developed it became clear that the executive branch would claim executive privilege. At the same time, it became obvious that the Congress would not take the forthright action necessary to overcome the claim of executive privilege, despite the fact that the claim was clearly without legal validity. In recent years, the Congress has become increasingly less jealous of its constitutional authority when it is challenged or thwarted by the executive branch. Particularly is this true when the Executive and the majority in the Congress are of the same political party. Under the circumstances, it was futile to attempt to persuade the Congress to accept the challenge to its constitutional authority, which the claim of executive privilege in this instance constituted.[1]

Since both the Defense Department and

[1] For a history of the increasing use of "executive privilege" and its unwholesome effects, see Clark R. Mollenhoff, "Washington Cover-Up" (Doubleday, 1962).

the State Department reneged at any direct examination by the subcommittee of the censors in connection with any specific case, the subcommittee had no choice but to pursue the next best course of accepting written explanation of specific instances of censorship, prepared by the Defense and State Departments. This was a very poor substitute. (The Under Secretary of State testified that the written explanations furnished the subcommittee over his signature were not prepared by the persons who censored the speeches (H-2794).) It is apparent from the written reports of both the Departments, with reference to the items censored by each, that the explanations furnished were largely contrived from the vantage point of retrospect rather than being the record of the actual motivation of the censor at the time a particular speech or article was reviewed. This fact is evidenced by the rather stark contrast between the candid tone of the occasional comments of the censors, contemporaneously scribbled on the face of the speeches being reviewed, and the "reasons" subsequently submitted to the subcommittee, after some weeks of deliberation, by the Departments of State and Defense.

For example, the written retrospective explanation of the State Department for the substitution of the term "Sino-Soviet" for "Communist," in a speech submitted to the State Department for review on March 9, 1961, was: "In speaking in geographical terms of the Communist threat 'Sino-Soviet' is more accurate than 'Communist' which would include, for example, Yugoslavia" (H-3304). In another speech prepared for delivery on March 9, 1961, the State Department inserted the term "Sino-Soviet" just before "communism" in the phrase, "Witness the steady advance of communism for over a century." In the margin of the speech, opposite the insertion, the censor commented, "It is only the externally aggressive type (Sino-Soviet) which the United States is committed to check" (H-55). The carefully worded, but nevertheless ambiguous, reason submitted by the State Department, standing alone, is relatively meaningless, but the candid comment of the censor, scribbled at the time the change was made on the face of the speech, reveals the heart of the policy with which he was requiring consistency. Whether this policy was personal with the censor, or whether it was a correctly interpreted official policy, could only have been conclusively determined by an examination of the censor by the subcommittee on this specific point. Neither the written explanations by the State Department, nor the studiously evasive language of the verbal responses of the high-level official spokesman who testified before the subcommittee, provided any conclusive evidence as to whether such a policy was, indeed, official.

Considering all the censorship actions, the censors' comments, the State and Defense Department replies, together with the testimony, the conclusion is inescapable that either the policies revealed by the censors' contemporaneous comments are official or, if unofficial, are the considered viewpoint of a large number of State Department personnel in responsible positions. The effect of such policies, whether official or unofficial, is equally disastrous.

2. *Justifications advanced for censorship*

During the months of our study, various themes were advanced by the State Department and Defense Department spokesmen justifying the rigorous policy censorship of cold war themes.

Initially, the Secretary of Defense, in his appearance before the Armed Services Committee on September 6 and 7, 1961, relied heavily on the "sensitivity" of various diplomatic negotiations in progress as the principal basis for the necessity of policy censorship of cold war themes proposed for public speeches by Defense personnel. When asked why it was necessary or desirable to censor particular statements during the first 6 months of 1961, the Secretary alluded repeatedly to "negotiations" which were underway at the time. He referred specifically to negotiations concerning release of the RB-47 fliers by the Soviets on January 25, 1961, and the negotiations which preceded the meetings in Vienna of President Kennedy and Soviet Premier Khrushchev in June 1961. Less emphasis was placed on this particular justification in later "explanations," although Secretary Ball did make references to such a justification in both his first and second appearance before the subcommittee, as well as in his written explanations, without any meaningful effort to connect the relevance of particular negotiations with particular speech changes or deletions, except in isolated cases.

Considered in a vacuum, the justifications based on "sensitive negotiations" might appear to have a degree of validity. When considered in connection with the actual censorship actions, however, they are plain fatuous.

In the first place, an examination of the speech changes reveals that degrees of antagonism and belligerence toward the Soviets or other Communists was by no means the sole or even the major criterion which prompted a censorship action. By far more crucial, judging from the actual changes and deletions made, was the speaker's degree of incisiveness about the intent of the Communists and the nature of their offensive against free peoples everywhere. For example, one statement which was deleted is:

In fact, the big question of our day is just simply this: Will the future world, that is the emerging world order, be in our image, the image of the Western World, or will it be in the image of world communism? (H-3177.)

Whatever degree of belligerency is reflected in this statement is slight and, indeed, far less than in some of the statements which remained uncensored in both this speech and others prepared for delivery in the same time period. In effect, this proposed statement is nothing more or less than a paraphrase of the idea so often projected by high Communist officials that there is between communism and the West an "irreconcilable conflict of systems." It is difficult to conceive that this and similar statements could disturb the flow and prospects of diplomatic negotiations in process.

The consistency of deletions and changes also belies the validity of the "sensitive negotiations" justification. For example, in May 1960, the censors deleted a warning about the dangers of Communist advances. This, of course, was in the period immediately preceding the Paris meeting of heads of state. The same type of warning was deleted, however, on April 13, 1960; April 27, 1960, January 29, 1961; January 30, 1961; March 17, 1961; March 25, 1961; April 26, 1961; April 28, 1961; May 16, 1961; May 17, 1961; and August 14, 1961. The degree of consistency of the censorship would indicate that were such censorship to have been based on the fear of disrupting "sensitive negotiations," it would be rather conclusive that the Communists, by the simple tactic of keeping negotiations in process, would have succeeded in completely paralyzing efforts by our official spokesmen to alert the American public to the menace posed by the Communist movement. Obviously, our Government's actions would be of more concern to negotiating parties than mere words, and the question arises that if words must be tempered, and even silenced, because negotiations are in progress, would not a pursuance of the same policy necessitate absention from any action to counter the Communist threat for the same fear of disrupting such negotiations? Were the existence of "sensitive negotiations" to be accepted as a justification for the censorship which the subcommittee found, a strong presumption would arise that the entire conduct of our national response to the Communist menace was reduced to a state of paralysis by negotiations.

Neither the consistency of speech deletions over extended periods nor the substantive arguments advanced on the question of sensitive negotiations lends credibility to this justification.

A number of high ranking witnesses who testified with regard to the censoring of their own speeches seemed quite reluctant to say that there was any consistency to the speech changes, or that the altered speeches more accurately reflected official foreign policy than did their proposed statements prior to censorship. From such testimony there was an implication that the censorship reflected caprice and the substitution of individual judgment of generally low-ranking censors. For instance, Admiral Burke testified:

"Later on I thought that the speeches were being reviewed a little capriciously. Sometimes the identical statement would be left in; sometimes the identical statement would be taken out. I did not see any pattern to the thing except that any statements against communism, the statements against the danger of communism were frequently removed, and I thought that was probably due to the individual who was reviewing the speech, not the administration, not the senior official (H.-148)."

As Admiral Burke pointed out, and as others, particularly General Trudeau, confirmed, there were instances in which identical statements were deleted or changed in one speech and left untouched in another, although occasionally the speeches fell in almost the same time period. The officers who were subjected to such censorship were naturally perplexed at the seeming inconsistency, General Trudeau testified.

However, there were other such changes, with the source unidentified, which gave my staff and me equal cause for wonder about the motivation involved (H-31).

The witnesses who were actually most familiar with the censorship activities, however, were not those whose speeches were censored, but those who had participated in censorship activities. These witnesses assured the subcommittee that there was an absolute minimum of inconsistency in the policy censorship of cold war themes. From the Defense Department, three witnesses who had responsibilities for censorship activities testified before the subcommittee. These were the Assistant Secretary of Defense for Public Affairs, Mr. Arthur Sylvester; the Assistant Director for Policy and Procedure of the Directorate of Security Review, Mr. Willis Lawrence; and the Director of the Department of Defense Directorate of Security Review, Mr. Charles W. Hinkle. The last of these, Mr. Hinkle, who testified on January 31, 1962, had only been appointed on December 4, 1961, and had during the interim been working exclusively on ways to improve procedures. Thus, he was in a position to throw the least light on previous operations of the Department of Defense censorship activity.

The first two witnesses in this category testified that official policy, not capriciousness, was responsible for speech changes. Mr. Sylvester stated:

"I think they (the censors) are completely dedicated and devoted to following policy and using their judgments within the confines of it to the best interests of the United States (H-419)."

Mr. Lawrence was asked:

"In your opinion, then, have the speeches been censored to conform with the existing policy, or have they been censored as a result of an individual substitution of judgment which is not in accord with the direct interpretation of policy?"

Mr. Lawrence replied:

"No, sir; it would not be censored according to individual judgment. It would be the best—the best action they could take in carrying out policy (H-335)."

The testimony from the State Department witnesses was to the same effect. Witnesses from the State Department were the Under Secretary of State, Mr. George W. Ball; the Assistant Secretary of State for Public Affairs, Mr. Roger W. Tubby; and the Deputy Assistant Secretary of State for Public Affairs, Mr. Phillip H. Burris.

Mr. Ball, on his first appearance before the subcommittee, was asked:

"Mr. Secretary, I just want to say it is gratifying for you to confirm what I have been convinced of since I first studied the speech deletions and changes:

"That is that the speech deletions and changes are the result of a knowledgeable application of our foreign policy to the speeches, to insure conformity with our foreign policy."

Mr. Ball responded: "That is right" (H-756).

On March 29, Mr. Ball submitted to the subcommittee in writing a list of explanations for censorship actions initiated by the State Department. In the covering letter from the State Department, signed by Mr. Ball, the Under Secretary stated:

"The explanations herewith furnished to the committee have been prepared by specially assigned officers working under my personal direction."

He also reemphasized his above quoted testimony by stating:

"You will recall that in my testimony I stated that, by and large, we are satisfied that the Department has performed its duties in connection with the review of speeches in a credible and responsible manner. I would like to say that in assembling the speeches at the request of your committee, I have become more than ever confident that this statement is correct (H-3283)."

Mr. Tubby, when queried as to whether he agreed with Mr. Ball's evaluation, was correct (H-810). Mr. Burris, while noting that there was always a matter of judgment involved, affirmed that "generally," if not in 100 percent of the cases, the censorship reflected an accurate application of foreign policy (H-862).

In considering what appears to be conflicting conclusions of those whose speeches were censored and those who participated in the censoring, several of the facts which were brought out in the testimony were pertinent. In the first place, the high-ranking witnesses whose speeches were censored had no specific familiarity with the details of foreign policy. General Trudeau, when asked whether he had been able to find any consistent application of official policy reflected in the changes in his speeches, responded:

"I do not know because I do not know what the policy—and not only the question of policy, but, more importantly what are the directions given by those who are to follow policy at the top level to the subordinate officials who actually exercise the censorship judgment?

"I do not know.

"So it can be policy, if that exists, or it can be their personal opinion, and I am sure that is one of the answers you are seeking (H-38-39)."

The witnesses whose speeches were censored did not have access to National Security Council papers or, if they had access, they had not had occasion to study them.

It is also apparent from the testimony that the high-ranking witnesses who testified with regard to their own censored speeches were not knowledgeable in the procedures by which their speeches were censored and could not, therefore, be expected to pinpoint the reasons for the apparent inconsistencies.

Considering all the testimony, it seems most likely that the occasional instances in which statements were deleted or changed in one speech and passed in another speech, resulted from the fact that a different reviewer within the Department of Defense Security Review Section made the initial decision as to whether the speech had foreign policy ramifications, and, therefore, whether it should be sent to the State Department for review. From the testimony of Mr. Lawrence and Mr. Hinkle on what criteria are used in determining whether a speech should be sent to the State Department for review, it is quite evident that the test is subjective, rather than objective. It also appears that a particular statement might not, in the opinion of the reviewer, in and of itself, require clearance by the State Department. If, however, any portion of the speech required review by State, the entire speech was sent to State Department, and the judgment there on the foreign policy context of a particular statement might well be divergent from that of the reviewer from the Defense Department.

The testimony also revealed that for a short period following the change of administrations, the directive of the Secretary of Defense that military personnel would speak only on defense matters was interpreted by some reviewers literally. This resulted in deletion at the Defense Department of material considered to have foreign policy ramifications without referring it to the State Department.

It is logical to assume that these factors account for the great majority of the apparent inconsistencies.

These apparent inconsistencies, however, were very few. Considering the number of personnel in the State Department who allegedly participated in the censoring of speeches of defense personnel, the consistency of the changes and alterations of this particular type subject matter is a tribute, either to the efficiency with which details of foreign policy were promulgated throughout the State Department or to the unanimity of attitude among State Department employees participating in the speech review.

In the written explanations of the censorship actions submitted to the subcommittee by the State Department, the deletions and changes were justified primarily by statements in defense of policies or views of the Communist operation with which the uncensored statement was allegedly in conflict. Some of the policies revealed in the explanations, however, drew so much congressional and press criticism when publicly disclosed that Under Secretary Ball subsequently, in his second appearance before the subcommittee, attempted to repudiate his own explanations. In one instance, a speaker proposed to state: "Victory on each of the four battlefields of the cold war is essential to the survival of freedom." The word "victory" was deleted and the phrase "Defeat of Communist aggression" was substituted. The written explanation submitted by the State Department for this speech alteration was:

"The word 'victory' has a militaristic and aggressive ring, less suited than the substituted phrase to describing our national objective. It also implies an 'all or nothing' approach leaving no room for accommodation (H-3302)."

Mr. Ball thereafter described the written explanation as "inartistic" and "foolish" (H-2795). This repudiation of his written explanation by Mr. Ball was no isolated instance. In his covering letter to the subcommittee when the written explanations were submitted, Mr. Ball stated:

"There have, of course, been a few instances in which the reviewers may have been arbitrary or have exercised poor judgment. Where there seem to be no reasonable explanation for any particular deletions or changes, we have had no hesitation in simply stating, 'No explanation' (H-3284)."

Despite Mr. Ball's written assurances, there were at least 11 other instances during his oral testimony in which Mr. Ball retreated from his previous written explanations, and these instances did not include those where he had in his written response stated: "No explanation." This is a very high percentage in view of the fact that, because of the time limitations, Mr. Ball was questioned specifically with reference to only a relatively few of the explanations he submitted.

In retreating from his written explanations on censorship actions, Mr. Ball repeatedly fell back on the justification for particular censorship actions that it was necessary to make a change to avoid distortion of the proposed remarks by the Communist propaganda machine. Assistant Secretary of Defense Sylvester and Under Secretary Ball expressed their concern with the possibility that the Communist propaganda machine could make effective use of "warlike" and "bellicose" statements of high-ranking military officers to prove to allied, uncommitted and neutralist countries that the United States was controlled by warmongers.

Mr. Sylvester stated:

"It is no secret to you, of course, that the Communists listen with particular care to the statements of our civilian and military leaders. They try to exploit statements by top officials to split us from our allies, to mislead neutral countries into a belief that we are the perpetrators of tension in the world, and to make plausible the absurd fiction that we are an imperialist nation bent on dominating them (H-379)."

Mr. Ball at one point stated:

"The real impact of 'warlike' statements by our military leaders is most likely to be felt on the other two audiences—the governments and peoples in the Allied countries and in the uncommitted nations.

"One of the pernicious myths that the Soviet propaganda machine seeks to spread around the world is that America is dominated by a bloodthirsty and irresponsible military clique prepared to unleash atomic destruction unless kept in check by Communist might.

"Anyone who keeps abreast of the Communist propaganda line put forth by the Soviet or Chinese radio or set out in the speeches of Communist officials or in Communist publications must necessarily be impressed with the amount of space and time devoted to this attempt to create the impression that U.S. policy is dominated by warmongering generals and admirals.

"The absurdity of this propaganda—and, of course, it is absurd—does not necessarily diminish its effectiveness among people who have either been sealed off from direct access to the free world or who are so ill informed or ill educated that they lack the ability for critical judgment (H-720)."

The "pernicious myth" which Secretary Ball describes as believable to the "ill informed or ill educated" was the theme of the Fulbright memorandum sent to the Secretary of Defense and the President in an effort to stop military personnel from speaking out on cold war issues (H-3054-3068). Failure to recognize this "myth" as a Communist propaganda product can and does result in its perpetuation. Each repetition by a non-Communist lends credence to it, and its pronouncement by high Government officials accomplishes what the Communists, left to themselves, could never in their fondest dreams even aspire to.

As he fell back from his written explanations, Under Secretary Ball increasingly emphasized the susceptibility of statements of American military officers to distortions by Communist propagandists. Mr. Ball refused to concede that Communist propaganda effectiveness would be little altered by the availability or unavailability of direct quota-

tions from military officers in the conduct of their propaganda campaigns. When it was pointed out to Mr. Ball that the statements of the President, various Members of Congress, State Department officials, Cabinet officials, Peace Corps officials, and numerous others were commonly distorted and unfavorably characterized by the Communists to suit their particular propaganda objective, Mr. Ball emphasized that characterizations by the Communists of American speeches were far less effective as propaganda than were the use of direct quotations which the Communists could adapt (H-2939).

When Mr. Ball had his attention called to the fact that even his own prepared statement was susceptible to being quoted out of context to reinforce the very type of Communist propaganda which he had described before the subcommittee, Mr. Ball denied that this was the manner in which the Communists operate. The example consisted of a part of a sentence in Mr. Ball's statement which reads:

"America is dominated by a bloodthirsty and militaristic clique, prepared to unleash an atomic destruction unless kept in check by Communist might (H-720)."

Mr. Ball's answer was:

"I think that you will see from the examples that we will bring this committee that what they do is to quote words accurately—I mean whole paragraphs accurately, but put them in a distorted context, and this is the technique which they follow (H-794)."

Mr. Ball did supply examples of Communist propaganda to the subcommittee. In all, he submitted 27 examples. It is interesting to note that of these 27 examples, 14 of them contained no quotations from U.S. sources whatever; only two contained a quotation of as much as a paragraph; three others contained quotations of whole sentences; five of the examples contained quotations of less material than a complete sentence, similar to the example proposed to Mr. Ball from his own statement; and three of the examples were characterizations of an official statement by newsmen of the non-Communist world (H-737-746).

Mr. Sylvester also furnished to the subcommittee examples of Communist propaganda totaling three items of "external" propaganda promulgated in other than the United States, and one item which Mr. Sylvester titled "internal" propaganda from the Worker. Two of the three "external" examples contained no quotations from U.S. sources whatsoever, and the third, which was a duplicate of an example furnished by Mr. Ball, contained a one-sentence quote taken out of context of a major general's testimony before the House Appropriations Subcommittee. The "internal" example is an antimilitary article from the Worker, published in 1960, and based on official U.S. denials that the U-2 was a military airplane (H-420-423).

Mr. Ball made it extremely clear that he thought that the real test of whether an official statement was subject to distortion by the Communist propaganda machine depended on whether it lent itself to use by the Communists in the form of a direct quotation. Mr. Ball's attention was called to a number of Communist propaganda publications and broadcasts. One was an article in Pravda, on what was characterized as a "bellicose speech in a Texas town" by U.S. Vice President Johnson. The article stated:

"Regarding the Soviet Union, he indulged in cynical threats such as we have not heard in a long time from the lips of a United States official ocupying such an exalted post (H-2937)."

To this, Mr. Ball's comment was:

"From the point of view of anyone listening to that, it has very little credibility because it is not in quotation marks (H-2938)."

Similarly, when questioned about a Communist propaganda distortion of a speech by then Under Secretary of State Chester Bowles, Mr. Ball stated: "I mean the significance there is that they didn't quote Mr. Bowles" (H-2938).

Under Secretary Ball categorically denied that the Communists invent quotations for use in their propaganda. He was asked:

"Don't they manufacture; don't they lie; don't they make any statement they want to carry out their ends, that is what I am getting at?"

To this Mr. Ball replied:

"No. You will find very little evidence of their inventing quotations from people. What they do is quote language, and this is a distinction of importance.

"They invent characterizations, but not quotations, and there is a difference in credibility (H-2939)."

Mr. Ball is, to say the least, poorly informed. On June 2, 1961, Mr. Richard Helms, Assistant Director, Central Intelligence Agency, testified before the Senate Internal Security Subcommittee of the Committee on the Judiciary. The subject of the hearing was "Communist Forgeries." Mr. Helms related in his testimony, and documented, how the Communists forged any number of type documents, including U.S. State Department cables, letters from State Department officials, and State Department directives—all of which were planted and used in Communist propaganda. Not only scattered quotes, but whole documents were "manufactured." Such false documents were planted, for the most part in the press of Western nations and then immediately picked up and used by the Communist propaganda machines. The complete history, in detail, of such forgeries is available to the public in sworn testimony along with reproduction of the forged documents. The authenticity of this type activity by the Communists is attested to by a high official of the official intelligence agency of the U.S. Government. What is more incredible is that many of these forgeries involved the State Department. In one case, the Communists actually forged on a State Department letterhead an attack on our CIA by "Foreign Service Employees for Separation of Foreign Service and Espionage." This forgery was widely distributed and was reported in national news magazines.[2] There can be no more vivid demonstration of the need for widespread public education on Communist techniques than this—that the number two officer in our State Department can demonstrate such ignorance and incompetence in the field of Communist tactics. This instance is most revealing about what is wrong with our foreign policy and why State Department personnel repeatedly try to play down the Soviet threat. They don't understand it.

Mr. Ball's denial that the Communists manufacture whatever "quotations" they need for propaganda purposes is a categorical contradiction of Mr. Helms' testimony and the documentation he provided.

The attempt to justify censorship actions on the theory that by censoring statements of Defense personnel, the Communist propaganda machine would be reduced to paraphrasing and characterizing, rather than quoting, statements of such personnel for their propaganda efforts, illustrates the totally unsatisfactory nature of the explanations. The only word which approaches adequacy in characterizing the nature of such justifications is "nit-picking." Mr. Ball, however, found such insignificant explanation acceptable because, in his opinion, the speeches which were censored were of little importance. Mr. Ball made it clear that he considered the speeches of military officials, except in rare instances, to have little overall usefulness (H-2939-2940).

In spite of all the afterthoughts tendered as excuses, explanations, and justifications of the censorship actions, it is clear that the changes and alterations made in the speeches reflected either official U.S. foreign policy or the prevailing attitude of responsible officials in the State Department, who, according to Mr. Ball, actually did the censoring (H-722).

3. REFLECTIONS OF FOREIGN POLICY IN CENSORSHIP ACTIONS

Reflections of foreign policies in the censorship actions, and explanations by the censors, are fairly obvious in cases where the policy involved has, through development of events, become known to the American public.

For instance, it has been well known for some years that American foreign policy did not consider Laos a place where Communist expansion should be vigorously contested by U.S. activity, despite the strategic military and political importance of that southeast Asian country. As far back as 1959, and as late as 1961, the State Department censors deleted statements which attributed strategic importance to the control or freedom of Laos. In October 1959, Admiral Burke proposed to state:

"Laos is the key to control of the whole of southeast Asia. It adjoins free Thailand, free Cambodia, and free Vietnam. Free Malaya is just to the south. Indonesia is only a short sea distance farther south. In the hands of the Communists, Laos would be a pistol pointed at the heart of every free country in southeast Asia (H-682-683)."

This material was mandatorily deleted by the State Department and in the margin, opposite the deletion, the censor or some State Department official scribbled the following explanation:

"Under present circumstances, Laos should not be treated as a geopolitical problem, but as a small nation whose independence is being threatened (H-683)."

Subsequent developments have confirmed beyond doubt that at that time, and subsequently, it was official U.S. policy to play down the importance of Laos to the cause of freedom in southeast Asia and the world.

Similarly, it is no secret now that the policy of the State Department prior to and following the 1959 takeover in Cuba by Castro was based on the position that he was an independent revolutionary, and that his movement has no connection with communism. On March 4, 1960, Admiral Burke proposed to state:

"We know and the Communists know that they cannot take Cuba by force of arms, but can they take Cuba by intrigue? Could they take Cuba even more readily if our attention was drawn to the Taiwan Straits or to Berlin or to someplace else? These are serious things. They are things we must think about to evaluate the whole threat in its proper context (H-683)."

This material was also deleted, and again on the face of the speech someone in the State Department penciled an explanation:

"Reference to Cuba of this sort, by senior naval officer directly connected with Guantanamo Base could damage current arrangements for treating with Cubans by State (H-683)."

Again our official policy toward the Castro government was revealed by the deletion, and illuminated even further by the censor's comment.

The continuing policy of our State Department in Cuba is illuminated by other censorship actions. In a speech proposed to be made on August 29, 1961, General Carroll, present Director of the Defense Intelligence Agency, proposed to refer to the Cuban Government as the "Communist Government of Cuba," but the censors did not permit such a reference to be made. In justifying this censorship in its written explanations to the subcommittee, the State Department stated:

"At the time this speech was made, a policy

[2] "Newsweek, Sept. 1960, p. 25.

decision had not yet been made as to whether Cuba should be treated as a Communist government, though it was considered proper to refer to it as a Communist line government. It was not until December 1961 that Castro openly stated that he was a Marxist-Leninist and was leading Cuba into communism (H-3335)."

This explanation is particularly illuminating of our Cuban policy, since the speech change in this case was actually made in the latter part of August 1961, more than 4 months after the ill-fated Bay of Pigs invasion, which we admittedly sponsored in an effort to overthrow the Castro regime.

The State Department policy with regard to Cuba and Laos can be easily detected in the censorship because it has become evident by the development of events. Other policies and attitudes, more general in nature, while less evident to the public, are also reflected in the censorship and in the various censors' comments and explanations.

Among the most fundamental of the policies reflected by the censorship is the State Department's attitude or policy of treating the continuing struggle of the Communists against the non-Communist world as being within the traditional framework of "peaceful" relations, or "peaceful competition" between nation-states. This is clear because the censors have gone to great lengths to prevent any characterization in public speeches and articles of the continuing struggle launched by the Communists for world domination as war, even when it is modified by the somewhat undescriptive, but generally used modifier, "cold." The same policy, of course, requires that such terms as "battle" and "conflict" be eliminated in favor of softer terms, such as "struggle" or "challenge." A comparison of language before it was censored, with that, if any, which was permitted after censorship, illustrates better than any description the antipathies of the censors on this point.

Before censorship	*After censorship*
1. "And this balanced force of seapower will be able to meet any situation in the spectrum of the *cold, the limited, or the general war* requirement."	1. "And this balanced force of seapower will be able to meet any situation in the spectrum of the *political or military* requirement."
2. "One cannot reflect upon these startling facts without considering their influence in our *life or death competition with the Communists.*"	2. "One cannot reflect upon these startling facts without considering their influence in our *lives today and in the future.*"
3. "Even though this distinction exists the present state of affairs is nevertheless *an actual war.*"	3. "Even though this distinction exists the present state of affairs is nevertheless a *challenge and a struggle.*"
4. "The X-15 is the Man o' War of the stable of research aircraft to date."	4. (Deleted with comment: "let's use another steed—Zev, Gallant Fox, etc., but not this one.")
5. *"As we engage the Communists,* let us be fully aware of the significance of two which are part and parcel of *the vicious worldwide conflict forced upon us.*"	5. "Let us be fully aware of the significance of two which are part and parcel of our lives and our future."
6. "A negative philosophy won't sustain us *in this conflict.*"	6. "A negative philosophy won't sustain us."
7. *"Make no mistake; we are at war right now—a total war of ideas. War becomes total when the price is total; the world itself.*"	7. " ,
8. "Citizens who realize all that is *at stake in the world struggle that we call the cold war* cannot remain apathetic or complacent."	8. "Citizens who realize all that is *jeopardized by the threat of Communist aggression* cannot remain apathetic or complacent."
9. "Such a national emergency exists today. We are at war. In the military sense of course we are just sparring. Ideologically and technically we are in an all-out conflict. Economically the war is just beginning."	9. " "
10. *"The cold war,* of course, has been with us almost constantly since the closing days of World War II."	10. *"International tensions caused by Sino-Soviet aggression or threat of aggression,* of course, has been with us almost constantly since the closing days of World War II."

If there was any doubt that this particular attitude or policy underlies the deletion of the word "war" or "enemy" from speeches, the Under Secretary of State, in his testimony, made it perfectly clear. Mr. Ball was asked: "Do you consider any group or any country that is dedicated to the violent overthrow of the U.S. Government as an enemy to the United States?" To this, Mr. Ball replied, " 'Potential enemy' might be a more accurate expression. It has a system in opposition to us" (H-2913). Thereafter Mr. Ball was asked: "Mr. Secretary, we have troops in Korea today. They are there for some purpose. Who is our enemy in Korea today up on the frontlines?" To this Mr. Ball replied: "The troops that are in Korea today are there to sustain the Korean Government and to help protect the integrity of Korea, but there is no shooting going on there" (H-2913-2914). Mr. Ball was then asked, "Who is the enemy? There must be some enemy there or we would not have troops there?" Mr. Ball's response was: "Well, no. We have troops many places in the world where there is no enemy, where there is potential danger." Mr. Ball was then asked to "Name some place where we have troops where there is no enemy." To this Mr. Ball replied: "We have troops in Berlin" (H-2914).

Mr. Ball took the attitude that to say we are at war with communism is an "abstraction" (H-2915). He clearly indicated that he is not concerned with the international Communist movement as such. At one point, he stated: "Let me make a distinction which I think is an important one, Senator. Foreign policy deals with nations and with relations between nations * * *" (H-2805). These remarks make it quite clear that State Department policy is not directed in opposition to the international Communist conspiratorial movement, but rather is concerned with the particular official actions of what the State Department considers to be "nation-states." Since there has been no declaration of war by the Congress of the United States against another nation-state, State Department policy and attitude confines itself to a peacetime framework, and this, of course, precludes the present existence of any war or any enemy except a potential one, regardless of the tempo of the Communist offensive against the interests of the United States and freedom everywhere.

The censorship actions, and the explanation for them reveal a pervasion of State Department thinking by a "defensive" attitude. In describing U.S. policy, Under Secretary Ball stated:

"The United States is committed to check any actions which would have the effect, or tend to have the effect, of resulting in the extension of control of Communist power over other countries that are not now under that control" (H-2829).

Essentially this is a policy which limits the United States to reflex actions, to rigidly defensive steps in response to Communist offensive tactics. It is this same "defensive" attitude which prompts such assertions as that contained in an explanation for the deletion of the word "victory," which stated: "The word 'victory' has a militaristic and aggressive ring * * *" (H-3302). The same defensive thinking is apparent in the deletion of such terms as "beat the Communist challenge," "extend freedom," "win the cold war," "destroy the virus of communism," "to achieve victory," and "emerge victorious." This "defensive" or reflex thinking accounts for the timidity which led to the deletion of proposed statements which described communism as "vicious," "godless," or "tyrannical."

To counter the obvious implication that the State Department had revealed a "defensive" attitude and a distaste for the word "victory" by its censorship actions, Mr. Ball furnished to the subcommittee extracts from speeches of State Department personnel and requested that they be inserted in the record of the hearings (H-2763). In some of them, the word "victory" was used, and there were statements in terms of "winning." The context of such remarks were usually such, however, as to limit or specifically define the normal meaning of "victory." From a speech of Mr. Walter Rostow, Chairman of the Policy Planning Council of the State Department, "victory" is found in this context:

"The victory we seek will see no ticker tape parade down Broadway. It is a victory which will take many years and perhaps decades of hard work and dedication—by many people—to bring about.

"It will not be a victory of the United States over the Soviet Union.

"It will be a victory of men and nations that aim to stand up straight, over the forces that wish to entrap and to exploit their revolutionary aspirations (H-2767)."

From the speech of Assistant Secretary of State Harlan Cleveland is this reference to a new kind of victory:

"When the world of consent has thus seduced the world of coercion, we will be face to face with a new kind of victory.

"It won't be 'total'—the real world can never be described with absolute words, real goals are never achieved.

"But it will be the kind of victory that has rational meaning in the nuclear age. It will not be won by killing or impoverishing others. It will be the best of all possible victories, for it can be shared with all mankind (H-2768)."

Another use of "victory" is found in a speech of Secretary of State Rusk:

"The way to measure the cold war is to recognize it as being a contest between—again between those who are involved with the Communist revolutionary movement on the one side and those who are trying to build a kind of world set forth in the Charter of the U.N. on the other. Wherever you see a country that is independent, secure, relaxed about managing its own affairs, there is a victory in the cold war (H-2763)."

Such references as these would seem to indicate that the State Department either has a wholly "defensive" attitude or is entrapped in a semantic wilderness.

In a speech prepared for delivery on March 9, 1961, a general officer proposed to state: "Witness the steady advance of communism

for over a century—and it still remains unchecked, as no successful counter force has been adequately developed" (H-54-55). The State Department censors inserted in this sentence the word "Sino-Soviet" before the word "communism"; so that after being censored, the statement read, "Witness the steady advance of Sino-Soviet communism for over a century," etc. The censor's comment penciled in the margin of the speech at the time stated: "It is only the externally aggressive type (Sino-Soviet) which the United States is committed to check" (H-55). From this, it is obvious that the State Department views communism not as an international conspiratorial movement with a high degree of unity of purpose and actions, but rather as a type of political system which has varying attributes in the numerous nation-states which it dominates.

This censorship action further reveals that U.S. policy is not concerned with communism as such, or even with the threat posed by all Communist-dominated states, but on the contrary, is concerned with and committed to check only those particular states which are "externally aggressive."

The State Department's preoccupation with traditional forms of aggression by nation-states is reflected in a number of the censorship actions. On one occasion a speaker proposed to state: "This new equipment is evidence of the technological progress which we as a nation must continue to enjoy on a broad basis if we are to meet and beat the Communist challenge." The State Department deleted "and beat the Communist challenge," and inserted instead, "the threat of foreign aggression" (H-3303). Such censorship makes the conclusion inescapable that the State Department shapes its policies to respond to actions by particular Communist states which fall within the category of traditional "foreign aggression"; that is, open and naked military invasion. While this was an adequate test a century ago, it is as anachronistic today as the use of 18th-century medical devices in place of modern antibiotics.

The censorship actions and the comments of the State Department, indicate that the State Department follows a rather rigid test in determining what constitutes aggression. On February 11, 1961, in speaking of the continuously growing Communist power, the Chief of Staff of the Army proposed to state: "Aggression and subversion in Africa, Asia, and Latin America are today examples of means used to pursue their aims of world domination." The State Department censor substituted "intervention" for "aggression." In the written explanation for this, submitted to the subcommittee, the State Department made the following comment: "The methods used by Communist nations in the areas referred to had not been officially labeled by the U.S. Government as aggression" (H-3297). If the methods used by the Communists in Asia, including Laos, Vietnam, China, Korea, and Tibet, and in Africa and Latin America, are not officially considered by the U.S. Government as aggression, and if, as the State Department censor noted, it is only the "externally aggressive" type of communism which the United States is committed to check, policy objectives are so circumscribed as to preclude realistic resistance to the continuing Communist offensive, based on the "total resource approach."

Certainly the inferences flowing from these censorship actions, and from the explanatory comments, are consistent with the statement of Mr. Edward R. Murrow: "What we object to fundamentally is the aggressive nature of the Communist state." [3] Such a policy or attitude is totally unresponsive to the Communist strategy of fusing war and peace, and of using the nation-state framework as a "front" through which to operate. Within the framework of such a policy, military and economic aid to Yugoslavia, even while acknowledging that Tito is a dedicated Communist, is perfectly consistent, so long as there is no conclusive proof to show that Yugoslavia is committing acts which meet the Department of State's definition of "external aggression." Within the framework of such a policy or attitude, aid to Poland, although it is completely dominated by a Communist regime which is, in turn, dominated by the international Communist movement, is consistent, so long as Poland's Communist government is not caught in an act which the State Department defines as "external aggression." Within the framework of such a policy, serious consideration could be given to aiding the government of British Guiana, despite the fact that it is headed by a Communist, Cheddi Jagan, for it is fairly obvious, in view of British Guiana's economic poverty, that this state is—at least momentarily—incapable of "external aggression."

Such an attitude or policy would not be consistent with directing our national efforts toward discouraging or blocking Communist Activities within nation-states which are not overtly or admitted Communist controlled.

The illusions which underlie any such attitudes or policy foreclose any realistic understanding of what are mistakenly referred to as "local wars," or, in Communist terminology, "wars for national liberation." Our State Department seems incapable of understanding that such overt hostilities are not spontaneous outbreaks, but are planned and premeditated actions by the directors of the international Communist movement. In a speech scheduled for delivery on May 19, 1960, General Everest, Commander of the U.S. Tactical Air Force proposed to state:

"They (the Soviets) have employed every means, from economic pressure and subversion, as in Iraq, to indirect military actions—limited in area and scope, as in Korea and Indo-China."

The reference to Korea and Indo-China was deleted by the State Department censor. In its written explanation of the deletion, the State Department averred:

"As noted by the reviewing officers, the reference to Soviet action in Korea and Indo-China was inaccurate, since intervention in these areas was by Communist China (H-3287)."

When queried about this explanation, Under Secretary Ball stated in part:

"I think that the general impression is that this was a decision made by the Chinese Communist government and that the initiative did not come from Moscow (H-2872)."

The official policy of the United States on Soviet involvement in Korea was publicly released by the Department of Defense dated May 15, 1954 (H-2875). This release documents the fact that the Soviets not only supported, but actually directed, the Korean conflict to the extent that Soviet citizens held the positions of authority, in both the political and military organizations of North Korea. Even the field orders of the North Korean Army, were written originally and distributed in the Russian language, down to commanders of line units before being translated into the Korean language. The official U.S. position could not have been unknown to the State Department. Nine North Korean field orders, written in Russian were exhibited by the U.S. delegation in the U.N. to support the U.S. position in that body, "that in any postarmistice political conference, Russia could not be considered a neutralist participant, but must be present as a nation with, at the least, a 'special interest' in the Korean conflict." Because the Communists were not operating within the framework of traditional nation-state relations in their covert directions of the North Korean puppet regime and the Korean conflict, the State Department, judging from their written comments, is unable to accept official U.S. policy that the Soviets did direct the Communist action in Korea. Such blind stubbornness by State is neither a mute question nor solely a past impediment, for history is now repeating itself in Vietnam.

Both the written explanation and the answers of Under Secretary Ball reveal that the State Department, itself, will not accept official policy if it is contrary to the ingrained diplomatic concept that only those events which fall within the framework of a nation-state versus nation-state relation is acknowledgeable.

The State Department censorship of military speeches was in clear contravention to President Kennedy's direction for a reexamination of our cold war strategy and tactics. The President stated on April 20, 1961, just after the ill-fated Cuban invasion attempt:

"We dare not fail to see the insidious nature of this new and deeper struggle. We dare not fail to grasp the *new concepts, the new tools*, the new sense of urgency we will need to combat it, whether in Cuba or South Vietnam. And we dare not fail to realize it is this struggle which is taking place every day without arms or fanfare, in thousands of villages and markets and classrooms all over the globe * * *. No greater task faces this Nation or this administration * * *. Too long have we fixed our eyes on the traditional military needs; on the armies prepared to cross borders; on missiles poised for flight. Now it should be clear this is no longer enough; that our security may be lost piece by piece, country by country, without the firing of a single missile or the crossing of a single border. We intend to profit from this lesson. We intend to *reexamine and reorient our forces of all kinds, our tactics and our institutions* here in this community. We intend to intensify our efforts for a struggle in many ways more difficult than war." [Emphasis added.]

Despite the obviously studied evasiveness of State Department witnesses on the particular subject, the censorship actions and the comments of the censors indicate that, within the State Department, there is an attitude or policy founded on the possibility of "evolution" of the Communist system in dominated territories. Gen. Arthur Trudeau proposed to State in one of his speeches:

"Either we can remain the champion in this vicious race by exerting our full strength and rise to great heights for the benefit for all mankind, or we can sulk and skulk like fearful and frustrated people and go down in the ignominy of defeat. The choice is ours; the hour is late; the time for decision is now (H-3189)."

A State Department censor penciled in the margin of the speech, opposite this paragraph, the following comments:

"This section might well be tempered since it largely rules out any chance of an evolution of the Soviet system. It is a little too militant on the eve of the Summit. Eliminate either or concept to allow possibility of evolution of Soviet system (H-3189)."

Under Secretary Ball was questioned extensively in an effort to determine from him to what extent the State Department policy or attitude placed reliance on the possibility of evolution of the Soviet system in order to make the prevailing policy of containment ultimately successful. Mr. Ball's answers, although lengthy, were neither enlightening nor reassuring. He testified that U.S. policy is not based on a firm belief that the Soviet system will evolve, but he then proceeded to attempt to convince the committee of the fact that such an evolution is now in process (H-2805). He testified that no one could be sure what turn this "evolution" would take, but also explained:

"They (the Communists) are losing their international militancy, becoming more na-

[3] AFIF 98. "Challenge of Ideas," a training film produced by the Department of Defense and narrated by Edward R. Murrow (released Sept. 1961).

tionalistic in character, becoming capable of living in a society of free nations without creating any menace for them (H-2804)."

In view of the consistency with which any paraphrase of what the State Department called the "either-or-concept" was deleted in Mr. Ball's rather specious testimony on this point it is difficult to find anything that would refute the implication inherent in the censors' actions and comments—that the policy or attitude governing their conduct was based on the hope of holding the line through containment and, given time, the Communists would abandon their aggressive nature. The implication of such a policy or attitude is supported by its consistency with the statement that our policy is "to deter foreign aggression," for such a purely defensive attitude could only hope to succeed if the Communists ultimately changed or "evolved."

Even the very speeches of State Department officials, which Under Secretary Ball provided to the subcommittee to show that the Department's attitude was not antagonistic to "victory," strongly indicates that the State Department's policy is, in fact, based on a belief that the Communists will change or "evolve." In a speech of Secretary of State Rusk is found this statement:

"We have no doubt that *the peoples of the Communist world will increasingly bring pressure on their leaders* to grant them the benefits of the free community and the individual rights and liberties which become the dignity of man (H-2764)." [Emphasis added.]

Mr. George C. McGhee of the State Department said in one of the speeches furnished for the record:

"Rather our purpose is to offer the rulers and the peoples of the Communist world powerful incentives to abandon the 'cold war' and to substitute genuine peace and cooperation for the vague and mysterious 'coexistence' they have offered (H-2765)."

From another speech of Mr. McGhee come these statements:

"We should not, however, despair for the future. Increasing Communist awareness of the perils of the arms race, *internal changes within the Communist society*, and continuing joint study and consideration of the need for inspection and the varied forms which it might take—all these may eventually create some opportunities for agreements which will moderate present risks (H-2766)." [Emphasis added.]

and:

"Indeed, fulfillment of this goal—the creation of a strong united community of free nations—*offers the best hope for the ultimate withering away of the Communist offensive* (H-2766)." [Emphasis added.]

And from another speech of Secretary of State Rusk comes this statement:

"We should take no cheap comforts from the deep schisms within the Communist bloc. On the other hand, we should be aware that the concept of independent nationhood, of national interest, and of national culture are day to day asserting themselves strongly. And if we are wise, we can patiently find ways to pick up the strands of overlapping interest between Communist nations and the free world, moving toward a cushioning of raw clash of power (H-2764)."

If, indeed, official U.S. policy is not based on the expectation that the Communists are in the process of "evolving," then, at the very least, it is obvious that the State Department is permeated by such a belief.

The policies and attitudes revealed by censorship actions, comments of censors, and the State Department's explanations includes an abhorrence of the use of such phrases as "victory in the cold war," "win the cold war," "extension of freedom" and similar terms. One written explanation of the State Department, with reference to the substitution of the phrase "defeat of Communist aggression" for the phrase "victory on each of the four battlefields of the cold war," despite Mr. Ball's subsequent characterization of this quote as "inartistic," rings true and consistent with the pattern of censorship. This explanation was:

"The word 'victory' has a militaristic and aggressive ring less suited than the substituted phrase to describing our national objectives. It implies an 'all or nothing' approach leaving no room for accommodation (H-3302)."

Although this explanation was accompanied by a letter from Mr. Ball stating that it was prepared under his personal supervision, Mr. Ball later retracted the explanation after it was greeted with derisive protests in the press and on the Senate floor. After the criticism, Mr. Ball declared that this explanation did not really reflect American foreign policy, and was "inartistic."

The conclusions indicated by the censorship actions and the comments of censors emanating from the State Department were reinforced and supported by the subsequent written explanations and oral testimony. This conclusion is that we have either a policy or a predominate attitude which can be summarized as follows: The U.S. foreign policy objective is containment of direct foreign military aggression. It does not seek victory over communism, but only to deter aggression while seeking grounds for accommodation, so that the Communist dominated territories will have the necessary time in which to "evolve" into nonaggressive, socialist states.

It is possible that censorship actions indicate only individual, although widespread, thinking among personnel involved in the censoring, rather than our official foreign policy. However, the distinction makes little difference in the net results, if such thinking dominates those who occupy positions of responsibility in the daily execution of our foreign policy.

One factor, however, weighs heavily toward the conclusion that such implications flow from official foreign policy.

The basic foreign policies of the United States are incorporated into written form, and presumably, kept reasonably up to date. Some of these basic policy papers are National Security Council papers, others are State Department papers. It has been repeatedly publicized in the newspapers, for instance, that Mr. Walt W. Rostow, Counselor to the State Department, has recently been engaged in preparing an overall policy paper, including foreign and military policy, for the present administration (H-2953-2954). There was no need for officials to resort to verbal protestations that the censorship actions did not reflect official foreign policy if such were not the case. The policy papers themselves could have settled the matter conclusively.

These policy papers were requested for the subcommittee's examination in executive session, so that there would have been no public disclosure of security matters. These papers were requested of the Under Secretary of State when he was before the subcommittee. He stated that the paper prepared by Mr. Rostow was still a "working paper," and as such, could not be furnished to the subcommittee (H-2954). Other policy papers, he stated, were in the control of the President, since they are National Security Council papers. The President was then asked to make these policy papers available to the subcommittee, which he declined to do (H-3160-3161).

As noted hereinabove, military personnel, except those in the Department of Defense Directorate of Security Review, were not exposed to the full spectrum of censorship, and, therefore, were not able to discern this pattern from the State Department actions and comments. There is little doubt, however, that the recorded spontaneous reaction of one officer, who had the limited experience of seeing only the censorship of one officer's speeches, was typical of the reaction to a slight exposure. Col. Edward B. Rasmessen, Staff Assistant to Gen. Thomas D. White, while discussing on the telephone the reasons for the censorship by the State Department of one of General White's speeches, with Frances W. Herron, Deputy Director of the Policy Plans and Guidance Staff of the State Department, penciled the following notes on the back of the censored copy of the speech:

State

(1) Don't like hard line.

(2) Play everything soft—tonedown.

(3) States Russians are unhappy because they are unable to pick up provocative phrases for their propaganda.

(4) Mr. Herron—took it higher. Where—no one knows (H-893).

Even with such limited exposure, military personnel could hardly miss the "no win" tenor of the State Department's actions and attitudes.

CONCLUSIONS

The study of the subcommittee revealed that there are many procedural and organizational matters which need improvement or remedy in the review of military speeches and articles, in the internal information programs on the cold war and in the policies and procedures under which the military participates in cold war seminars for the public. These have been set forth in specific recommendations following the discussion of each specific phase of this study.

More important, however, is the overall issue which gives rise to the circumstances which the subcommittee undertook to study.

The information developed by the subcommittee shows conclusively that there is no threat from the military to civilian supremacy.

It is clear that difficulties in each of the three phases of the study stemmed directly from a fundamental conflict of views as to the nature of the Communist threat, and, consequently, regarding the approach which should be adopted to defend against and counter that threat. In the hearings of the subcommittee, as in this report the two views are revealed in some detail. One is represented in large part by the remarks and statements of military officers which were censored, as well as the testimony of some of the witnesses who appeared before the subcommittee. The other view is represented largely by the written comments of the censors, the explanation of the cenorship actions, and the testimony of the State Department.

This conflict of views must be resolved if our Nation is to survive the cold war. It cannot be resolved by reorganizations within the Government, certainly not by "splitting the difference." In the final analysis, the decision between the two views must be made by the ultimate authority in the Nation—the electorate.

The right decision is not likely to spring from the American people unless they are informed—fully and accurately informed. Most of the facts on which the American people could base a sound judgment are in the possession of the Government, but there has been little communication of them to the public.

Indeed, it appears that the State Department has made a concerted effort, to the limit of its power, to keep the facts from both the Congress and the people and, contrary to President Kennedy's expressed desire, to prevent a full and free discussion of the issues the Nation faces. If we are to judge by the evasiveness of the State Department spokesman, this effort springs from the insecurity and ignorance which surround the State Department's arguments on the nature of the Communist threat and the policies which should be followed in combating that threat.

The hearings held by the subcommittee, and its study based on the hearings and documents in its files, will contribute to the national interest in the exact proportion that it has made facts available to the public on which they can base a responsible judgment as to the proper policy and course for our Nation to follow in the cold war. Not by the fondest stretch of the imagination could this study have communicated all the facts and information that are needed by the America people.

The most important recommendation which this subcommittee could make is to paraphrase the words of Winston Churchill to Prime Minister Stanley Baldwin in the Munich era: "Tell the truth, tell the truth to the American people."

BALTIMORE SUN STRONGLY SUPPORTS PRESIDENT'S DISTRICT OF COLUMBIA REORGANIZATION PLAN

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

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

There was no objection.

Mr. FRASER. Mr. Speaker, President Johnson's reorganization plan for the District of Columbia government has drawn strong support from the Nation's press—and particularly from most of the newspapers in this area.

I was particularly pleased to note that the Baltimore Sun has come out foursquare for Mr. Johnson's plan. In a June 3 editorial, the Sun declared:

> The new District of Columbia government would have much greater flexibility and would be more responsive to the wishes of Washington citizens.

The Sun continues:

> To understand this, one has only to imagine a situation whereby Baltimore or some other problem-ridden modern city were suddenly robbed of its mayor and council and placed under the kind of remote-control government Washington has lived with since 1874.

I commend the Baltimore Sun for articulating the basic issue in the President's reorganization plan. That is, the need for the residents of Washington to possess modern governmental machinery to provide good government to District citizens.

I insert this editorial into the RECORD:

REORGANIZATION

The proposed reorganization of the Washington city government, though far from being a blueprint for home rule, is an essential first step in that direction—all the more so since the ultimate goal seems as far out of reach as ever.

Under the Johnson Administration's proposal, which takes effect automatically unless Congress vetoes it, the powers now divided among three commissioners would be brought together in a single office. It is important to remember that the executive occupying this office would not have sweeping new powers. What he would have basically is a freedom of action impossible to conceive under the present arrangement. He could, for example, shift money between municipal agencies or even consolidate agencies without congressional approval. His actions could be overridden only by seven of the nine members of a council which would be appointed to help administer city affairs. Ultimate authority, of course, would rest with Congress, and all the officials, the commissioner as well as the council, would be appointed (by the President) rather than elected.

Still, despite these drawbacks, the new District of Columbia government would have much greater flexibility and would be more responsive to the wishes of Washington citizens. To understand this, one has only to imagine a situation whereby Baltimore or some other problem-ridden modern city were suddenly robbed of its mayor and council and placed under the kind of remote-control government Washington has lived with since 1874.

NEW FCC RULING STAGGERING IN ITS INVASION OF CONGRESSIONAL AUTHORITY AND ITS USURPATION OF POWER OVER THE NEWS AND PROGRAMING CONTENT OF OUR RADIO AND TELEVISION STATIONS

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. JONES] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. JONES of North Carolina. Mr. Speaker, last Friday, June 3, the Federal Communications Commission issued a new ruling under its "fairness doctrine" that is staggering in its invasion of congressional authority and its usurpation of power over the news and programing content of our radio and television stations.

This ruling, the FCC maintains, applies for now only to one product—cigarettes. But if this assumption of power by FCC is allowed to stand, my powers of imagination are not up to the possibilities of having our airwaves filled with nothing more than self-appointed, so-called responsible groups demanding time to argue about the merits of practically every type of commercial that may be aired. And it is not inconceivable to think that some other agency may attempt to apply a similar doctrine to all publications—as indeed, the Federal Trade Commission not too long ago attempted when it sought to dictate the content of print advertisements for cigarettes.

Completely aside from the pros and cons of the cigarette smoking controversy, let us consider just what the Federal Communications Commission has done in this ruling:

First, it has ruled that any radio or television station carrying perfectly legitimate advertising for a legal product must tailor its news reporting and its other program content so as to include each week a significant amount of free messages from the people who do not like the product.

The FCC even specifically designated one private, fundraising agency as an acceptable source of such messages. Heaven help us when all other such agencies, regardless of the merits of their particular causes, realize the potential of such free time mandated by a Government agency.

I can only conclude those who conscientiously oppose the use of alcoholic beverages and believe them to be harmful, will be happy at a chance to go after the beer and wine advertisements.

Second, but equally important, in making this ruling, the FCC has in effect written new laws for Congress in an area where Congress specifically and expressly avoided legislating. In fact, the FCC, in citing the Senate Report No. 195 relating to the cigarette labeling legislation, so distorted the passage quoted therefrom as to reverse its meaning. The FCC emphasized an introductory clause from one sentence in that report but completely omitted the rest of the sentence that made the positive assertion that—

> It was the committee's unanimous judgment that no warning in cigarette advertising should be required pending the showing that these vigorous, but less drastic, steps have not adequately alerted the public to the potential hazard of smoking.

Yet, the FCC has created a fiction that it is carrying out a congressional intent by its ruling that if radio or television stations carry cigarette commercials they must also carry—free, if necessary—warnings about cigarettes, a requirement the Congress specifically rejected.

The cigarette commercials at which the FCC's ruling is aimed do not, so far as I know, discuss the health aspects of cigarette smoking one way or another. The FCC itself says that the advertisements promote the use of a particular cigarette as attractive and enjoyable. But the free time of news and other programs that the FCC is requiring will permit groups to spread charges that "the normal use of this product can be a hazard to the health of millions of persons," to quote the FCC.

There are many recognized authorities who take issue with such broad general accusations. The appropriate congressional committees heard some of these authorities during deliberations on the Cigarette Labeling Act in 1964 and 1965 and presumably took their testimony into consideration when the decision was made not to require warnings in advertisements.

One of these authorities, Dr. William B. Ober, the director of laboratories, at Knickerbocker Hospital in New York City, told the House and Senate Commerce Committees in his testimony, that many sincere opponents of cigarette smoking seem to belong to what he called the Puritan school of cancer causation. Dr. Ober said:

> They tell us that smoking causes lung cancer, sexual intercourse causes cancer of the cervix, and drinking causes cancer of the throat. Lord help us all! What will they find next? I think if one starts off with the notion that anything a man does which gives him pleasure is probably sinful, it is only one step to think it is harmful, and the next thing to do is pass a law against it . . ."

Dr. Ober further said:

> The only really scientific statement one can make at the present time is that no one really knows what causes lung cancer. (Hearings, House Interstate and Foreign Commerce Committee, Serial 89-11, p. 343)

Other scientists have come to similar conclusions about the possible relationship between cigarette smoking and other diseases.

Yet, despite the unproven and uncertain state of research in these fields, the FCC has now endorsed one of these theories—the smoking theory—and ruled that broadcasters must devote public time to propagandizing it. By so doing, the FCC has made a scientific decision, which is entirely outside the area of its competence.

Should not the FCC's fairness doctrine also direct broadcasting stations to air both sides—or rather all aspects—of the cigarette smoking controversy? I should think it should.

Should not the FCC require broadcasters to invite Dr. Ober and other scientists to rebut the propaganda of the American Cancer Society and the Public Health Service? I should think it should.

However, my overriding concern is that this arrogation of authority will be extended beyond cigarettes, if it is allowed to stand.

What is to prevent the FCC upon petition of any individual with a pet peeve from insisting that the broadcasting stations doctor up their news and programing to allow—

The auto safety critics to answer automobile advertisements that suggest power and speed are essential and that there is nothing but fun and glamour in driving a car?

The antifluoridation forces, which are potent, to demand free time to spread their messages in rebuttal to toothpastes which advertise fluorides for cavity control?

The Women's Christian Temperance Union to appear weekly or more frequently on every station that carries beer or wine commercials?

The perennial aspirin antagonists to demand use of their press releases about what they think aspirin does or does not do to health when misused?

Such a list of those demanding free time to argue with advertisements could go on and on—touching practically every product that is advertised on the air.

I can almost hear the news programs of the future now—a series of one release after another from fundraising and other pet peeve organizations complaining about the commercials that make it possible for them to get their free news time.

The wars in the Far East and the Middle East would be relegated to minor bulletins on the air. Actions of Congress and Government would be given short shrift while the newscaster drones on about arguments whether or not to drive a car, whether to smoke or not, whether to drink beer or not, whether to brush your teeth with fluorides safely, and whether to try to relieve headaches by taking aspirin.

We will have come into a brave new world, not of gods and antigods, but of commercials and anticommercials pouring out endlessly over the speakers of big brothers.

My head reels as I consider the possibilities of the evils that may be committed under this enormous stretching of the innocuous-sounding "fairness doctrine."

In all fairness, this kind of big brotherism should be stopped now—before it gets out of hand.

GOVERNMENT EMPLOYEES TRAINING ACT, PUBLIC LAW 85-507

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. HENDERSON] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. HENDERSON. Mr. Speaker, today, the Manpower and Civil Service Subcommittee of the House Committee on Post Office and Civil Service, is releasing a report concerning the implementation of the Government Employees Training Act, Public Law 85-507. Last year the Federal Government spent over $180 million training some 906,000 Federal civilian employees. About 77 percent of this training was developed and conducted by the departments and agencies themselves for their own employees. In fact, less than 5 percent of the employees were trained through interagency programs.

This report reflects the first congressional review of this most important and expensive Federal personnel function; namely, training of Federal Government personnel. The purpose of the review by our subcommittee was to determine such items as: First, the overall cost of training; second, recent trends in the programs; third, numbers of personnel who have received training; and, fourth, types of training being given. Through the cooperation of the departments and agencies in the executive branch, plus on-site reviews by our subcommittee staff, we were able to respond factually to the various stated objectives.

This report, House Report No. 329, of June 1, 1967, covers not only the findings of the subcommittee but also recommends actions for improving the many training programs in the Federal Government. It points up a definite need for a more effective leadership role by the Civil Service Commission. One of the several recommendations proposes a better and more effective cost system. The report also indicates that the various types of training justified under the Government Employees Training Act are in need of clarification.

Mr. Speaker, I believe that this report will be of considerable assistance to the departments and agencies of the executive branch. It is going to provide management officials guidelines for closer and more objective reviews of civilian personnel training. Officials in several departments and agencies, including the U.S. Civil Service Commission, have already indicated to our subcommittee staff the value of the report in this respect.

I plan to make copies of the report available to the various interested committees of the House; and, may I assure you and the Members, that the subcommittee will have a continued and active interest in this important function of personnel administration.

FLYING A BIG FLAG

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

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

There was no objection.

Mr. JONES of Alabama. Mr. Speaker, to most of us the sight of Old Glory fluttering in the breeze stirs deep reverence for this wonderful Nation, the greatest hope on this earth for men who seek to be truly free. On occasion the sight of the Stars and Stripes has been known to produce a tear in the eye as past remembrances of the good, the proud and the magnificent moments of American history come to consciousness that is too often occupied with more pressing day-to-day problems.

Most of us have been hurt and shocked by the disrespect that has been shown to the U.S. flag by a very small number of publicity-seeking rabble rousers. They profess protest but the entire focus of their action is designed to alienate, destroy and divide. In spurning constructive activity which might alleviate their problem and in disregarding ordinary process for redress of their real or imagined grievances, they demonstrate in actions that override their words that their most basic aims are troublemaking and publicity seeking.

While these rare instances of disaffection and disrespect for the Stars and Stripes rate considerable attention, I want to point out to my colleague a far more impressive article, one of proper respect and honor for our flag.

The current issue of Reynolds Review, a magazine for the employees of the Reynolds Metals Co., tells the story of Mr. Frederick J. Diggle, Sr., a retired employee of the Reynolds Alloys Plant in Sheffield, Ala.

Although not a native son, Mr. Diggle knows the significance of our Nation's beautiful flag and of the glorious potentials it represents for every citizen who will apply himself.

He was one of four Alabama residents to be honored with the Americanism Award of the Daughters of the American Revolution last year. No ordinary American flag is good enough for Mr. Diggle. He flies an unusually large American flag from the pole in his front yard.

Mr. Diggle will be flying his flag next week as thoughtful Americans honor the Stars and Stripes on June 14, Flag Day.

In commemoration of 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 I will have the article from the Reynolds Review printed in the CONGRESSIONAL RECORD as a part of my remarks:

HE FLIES A BIG FLAG

He is a proud American—some might say, one of a disappearing breed.

A man who is humble, loyal, and above all, patriotic. He jumped ship at the age of

19 to swim to America's shore, arriving without a penny in his pocket.

That's the same man who last year accepted the coveted DAR Americanism Award with tears in his eyes.

Fiction? No, rather a brief biography of Frederick J. Diggle, Sr., a former chief draftsman who retired from Reynolds alloys plant, Sheffield, Ala., in 1959.

The story of how Fred arrived in this country and eventually became a Reynolds employee is more exciting than fiction. He was 19 and serving as a junior engineer aboard a British Merchantman when he met an American stowaway. During the long voyage to Mobile, Ala., the two became friends and soon the stowaway sold him the idea of staying in America. When the ship reached Gulfport, the captain refused him an advance in salary and shore leave. He and his new-found friend, John Groutch, swam ashore with their clothes tied to their backs.

The day was July 4, 1912.

As the Diggle success story is unveiled, Fred recalls the difficulties of finding work because he was not an American citizen, living on ten cents a day, and taking whatever work he could find.

Finally, his skill as a machinist, his father's trade, landed him a job working for the railroad and because it reminded him of Birmingham, England, he settled in Birmingham, Ala. He later married and became naturalized in 1921.

By 1941 his skill as a machinist led him to Reynolds alloys plant as general shop foreman. True to his American dream, Fred moved up the ladder at the plant and prior to his retirement, was in charge of the engineers and draftsmen who designed plant equipment.

The DAR Americanism Award was presented to Fred last year in Sheffield. He is one of only four Alabamians to receive the distinguished honor. The local chapter of DAR must submit the individual's qualifications to state and national organizations for review. Only after a national committee has approved it can a local chapter present the award.

Fred can and would talk about Americanism all day. An ordinary American Flag is not good enough for him. He flies an unusually large flag on a ten-foot pole in his yard. Fred knows and looks forward to the days having special patriotic significance and urges all his neighbors to fly their flags on these days.

JOINT RESOLUTION TO PROVIDE FOR SETTLEMENT OF RAILROAD DISPUTES

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

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

There was no objection.

Mr. DINGELL. Mr. Speaker, I am today introducing a joint resolution with the gentleman from California [Mr. Moss] and the gentleman from Washington [Mr. ADAMS] to provide for the settlement of the labor dispute between certain carriers by railroad and certain of their employees in order that there may be a responsible alternative before the committee when the railroad legislation is considered.

Our resolution authorizes the President to issue orders directing the carriers to transport necessary materials. He may make whatever rules and regulations will be needed. The resolution provides for the setting of rates as well as the modification of wages, hours, and working conditions.

GROWTH OF JUNIOR COLLEGES AND VERNON COURT JUNIOR COLLEGE IN NEWPORT, R.I.

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. ST GERMAIN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ST GERMAIN. Mr. Speaker, the junior college movement in these United States had made extraordinary gains during the past few decades and has attained a position of great significance, admiration, and respect in the vital field of education.

It has expanded the field of education and strengthened it through imaginative and bold approaches to the process of education. The junior colleges across our land have reached out to embrace many special groups who perhaps would not have attained a higher education had they only been confronted with the prospect of entering a university. They have also served to inspire and guide many of their graduates to still higher education.

We are deeply indebted to those who have contributed towards the phenomenal growth of this movement for it has significantly contributed towards the growth of our Nation and will continue to do so in the future as well.

Though Rhode Island is the smallest State, it nevertheless boasts four junior colleges, all of which have greatly added to the reputation of Rhode Island as an area having many fine educational institutions.

One of those is Vernon Court Junior College situated in historic and picturesque Newport. The meteoric growth of this fine junior college is worthy of much praise and one of the voices raised in praise of this fine institution is that of the distinguished president of the University of Rhode Island, my highly respected and good friend, Dr. Francis H. Horn.

Dr. Horn delivered the commencement address at the third annual commencement exercises at Vernon Court Junior College at which I was privileged to be present. I would at this time like to submit Dr. Horn's eloquent address for the CONGRESSIONAL RECORD. In addition to mentioning Vernon Court's development, it contains a very meaningful message centered upon the importance of the individual and clearly points out that "the single individual counts and counts frightfully in the modern world." I believe that my colleagues will find Dr. Horn's remarks most inspiring and worthy of great consideration.

Dr. Horn's remarks follow:

THE INDIVIDUAL IN A MASS WORLD

(Commencement address by Francis H. Horn)

It is a pleasure to speak at this third commencement of Vernon Court Junior College. I have watched its almost miraculous growth since Dr. Ashley first established the College and before it enrolled any students. I have done this with more than the usual interest that the president of an older and larger institution of higher learning demonstrates when a new college becomes his neighbor. This more personal interest springs from the fact that I am an old junior college man myself, having begun my administrative career over thirty years ago as head of a small privately-controlled junior college in New Haven, a college I served for six years until I entered the Army in 1942. This was a young college too, in its sixth year when I accepted appointment to its staff.

In retrospect, those years in a young, vigorous, growing junior college, in which everyone, faculty and students, knew everyone else, were from some angles, the most exciting and satisfying of my educational career. They created in me, moreover, an abiding interest in the junior college movement, a solid appreciation of the role of the junior college in American higher education, and a lasting dedication to the enlargement and enrichment of junior college opportunities throughout the country.

I was more than happy, therefore, to learn of Dr. Ashley's plans for a junior college for women here in Newport, and to provide whatever assistance I was able to render as head of Rhode Island's state university. The success of Vernon Court Junior College has been phenomenal, and all of us in higher education within the state are delighted to see how much has been accomplished in such a short time. I want, therefore, to pay my respects to President Ashley and to his associates in the administration, faculty, and staff for what they have achieved here. Among these associates, I want especially to mention my good friend and former boss, Dr. Michael Walsh, who, I assume, first admitted all you graduates to the college; and my former colleague, Admiral Scott Umsted, a distinguished naval officer and a superb teacher, whom I hope many of you have enjoyed in the classroom. There are many others here at Vernon Court whom I don't know, but I'm sure you will remember them with pleasure and with appreciation for what they have contributed to your education.

To you parents, may I say that your daughters have been privileged to be students at Vernon Court. The College is an exciting place in which to live and study, and the more I see of Newport, the more envious I become of those who can live here, even if for only two years. I felt so confident of the advantages of being a student at Vernon Court that I sent my daughter here last fall. I regret to asy that she dropped out—I'm afraid that living all her life in the academic world has caused her to revolt against it—and I'm sorry she won't be here a year from now at the 1968 commencement exercises. But if I had another daughter ready for college, I'd be happy were she to come to Vernon Court. I'm sure you graduates have been generally happy here, have found your studies challenging and interesting, and have laid the foundation for a future life of satisfaction and usefulness. Certainly, I congratulate you upon your graduation today and predict that you will come to look upon your two years here at Vernon Court as among the happiest of your life.

Perhaps I ought to stop here—and I'm sure you wouldn't object if I did. But tradition—and it's a tradition of over three centuries in America—requires that there be an address of some length and seriousness of thought as part of the commencement exercises. And though Vernon Court is a very young college indeed, I believe one tradition it must hold to is that of the commencement address. So I want to speak to you about a matter that I believe to be important and that I hope will seem relevant to you and your future. I want to discuss some

ideas concerning the attitudes of students, and older adults as well, that I believe deserve your consideration. I give to these remarks the title of "The Individual in a Mass World."

Let me begin by reminding you of what the scientists have done to our concept of the world. The astronomers have shown us that our universe is only one of thousands or even millions of similar universes. By way of contrast, the physicists have demonstrated that even the atom is a universe in itself. Geologists tell us that our world is billions of years old, with the anthropologists pushing the beginning of man farther and farther back in time. Two years ago, while on a photographic safari in East Africa, I camped near the Olduvai Gorge, where Professor L. S. B. Leakey in 1960 discovered the fossil bones of an ancestor of ours estimated to be 1,300,000 years old, and where he found the remains of a possible progenitor of man some 20,000,000 years old. The individual seems insignificant in this perspective of aeons of time and the immensity of space.

The social scientists also contribute to this impression of insignificance. They too deal with fantastic figures. The demographers report that before the year 2000, the world's population will double its present figure to over six billion, with 1,600,000,000 Chinese alone. Educators predict over ten million students in American colleges by 1975. The economists have long since accustomed us to thinking in terms of billions, what with an annual federal budget of over $120 billion, a national debt ceiling just raised to $365 billion, and an annual gross national product that in 1967 will exceed three-fourths of a trillion dollars.

These and similar figures that we deal with daily make the number "one" seem very small and insignificant indeed. The developments of our society, moreover, from plans for one-thousand-passenger airplanes to mergers involving giant business and industrial interests, are on an ever vaster and vaster scale, so that our lives seem endlessly caught up in bigness; the single individual tends to feel helpless in the midst of this mass world of ours.

The sense of helplessness, of insignificance, is further enhanced by three other aspects of modern life. These suggest that man has little control over his own destiny, that he is the prey of conditions or forces about which he can do little or nothing, in short, that it is mockery to claim, with the poet, that man is the master of his fate, the captain of his soul. One of these factors contributing to this point of view is the fatalistic determinism of some of the behavioral scientists. The sociologists, for example, often lay the blame for what a person is not on the individual, but on society. Psychologists maintain that we are coming closer and closer to predictability in the field of human behavior and some of them suggest that the time will come when "we can direct human destiny as easily and as competently as we now control atomic fission." God spare the day!

Another phenomenon of our day which contributes to this sense of futility so far as the individual is concerned is the publicity given to the techniques of promotion as used in selling and public relations. Our lives are dominated by the mass media of communications. We appear to be at the mercy of the great advertising agencies. We know about the opinion-makers, the hidden persuaders, the power elite. We are aware that we are being subjected to constant propaganda, even in the press. We suspect that our thinking is being done for us, that we are being manipulated and exploited, and that, in general, there is little which we, as individuals, can do about it.

The third factor that contributes to our feeling of helplessness and insignificance is what for years has been called the "cold war," but which in Southeast Asia is now a very hot war indeed, and, unfortunately, war at its ugliest and most sordid. As the conflict is enlarged, our manpower commitment increased—it appears likely that a further buildup of troops will bring our total strength in Viet Nam to about half a million American men by the end of the year—and our operations accordingly stepped up, such escalation forces us to live daily with the nightmarish thought that the powder keg upon which we are sitting may blow up at any time and we can do nothing about it. We know that civilization, perhaps mankind itself, hangs in the balance; that the power of destruction now in man's hands is total. We know too that not only the President or the Secretary of State by miscalculation or error or even downright stubbornness may lead us into the third world war, but also that a young officer in charge of a defense post somewhere, or piloting a bomber toward some target, possibly dangerously close to Red China, may unwittingly trigger the third world war and perhaps bring the world crashing down on our heads. The uncertainty and the fear affect us all, but especially college students who are graduating this May and June. The draft hanging over the heads of men graduates makes them especially aware of how little they may be in control of even their immediate future. Long-laid plans hang in a balance of uncertainty.

I could set forth more of these factors in our daily lives that on the one hand seem to make man smaller and smaller and on the other to shift the control of his destiny from himself to others. But I have suggested enough of the forces at work in the world that contribute to his sense of frustration and insignificance and helplessness.

The result is that the individual today is losing himself in the group; he becomes a face in the lonely crowd, a statistic in a report, a number stored in a computer. In any case, he is convinced that as one individual, he doesn't count for much. He looks to others to provide the answers for him, to take action to settle his and the world's problems. As a matter of fact, a study reported last year, finds "distinct signs of growth of a totalitarian mentality in American youth," because, the researcher maintained, people who worry about events beyond their control, such as a world war, tend to favor totalitarian control of society. The military coup in Greece, according to Max Lerner in a recent column, was possible because of the Greek people's willingness to scuttle their traditional democratic traditions in order to leave the answers to the nation's complex problems to dictators. Here in America the individual, especially the college graduate, tends to throw up his hands and lament, What can I do in this world in which the forces in control are so vast and so indifferent to the individual? This is an attitude that disturbs me very much. The college graduate in 1967 is looking toward the world outside his present academic walls, and wondering not just what the future holds for him, but whether he can do anything about his future. What good, he asks himself, are ambition and determination and making plans in this kind of a world?

I would urge you Vernon Court students to set yourselves firmly against this point of view. I believe that not only does the individual still count for something, but also that he remains the key to the world and what happens to it. Regardless of what we have learned from the scientists regarding the vastness and the impersonality of the universe, of the trends toward bigness that are everywhere evident, and of our seeming inability to control our own lives, I say to you that in the last analysis the fate of the world lies in the hands of individuals, of men and women like you and me, and that ambition and determination and planning are significant and desirable for each one of us. I say also that the problem of what we will do with our lives is not greatly different in the space age from what it was a century ago when our country was recovering from the Civil War, or three centuries ago when our Puritan forefathers were carving a new nation out of the wilderness, or indeed 2500 years ago when Socrates exhorted his fellow citizens to live virtuously in ancient Athens. I would have you understand that the reason for all the economic, social, and political agencies that have developed throughout history is not the welfare of society with a capital S or of mankind with a capital M—their goal is the welfare of the individual man and woman. I would have you understand also that the individual man and woman definitely help determine that welfare.

Consider why all of us are worried about a third World War, particularly about the escalation of the conflict in South Viet Nam. Impersonal and ideological forces such as nationalism and communism are at work contributing to conditions of tension and conflict that have led us to the present dismal situation in Southeast Asia and that can lead to a world war. But communism was loosed in the world by Marx and Lenin, and now is preached by Mao Tse-tung and Ho Chi Minh. Consider some of the movers and shakers of today's world from Castro to de Gaulle to Nasser.

Above all, consider that it is clearly evident that President Johnson alone is responsible for the final decisions affecting our involvement in Viet Nam. It is individuals who make the decisions that set forces in motion that subsequently seem inevitable. If certain individuals had the intelligence, the courage, and the will to change current trends, the great burden of armaments could be lifted from the world's shoulders, peace could be restored, and the fear of annihilation disappear from the earth.

Okay, you may say, of course individuals such as President Johnson and General de Gaulle and other big shots like them count for something and influence history. But I'm just an ordinary person—I don't really count in the vast scheme of things. But you do!

You count more than ever, and can make your influence felt more widely and more positively than ever before. Just look around you in your own home town, and you will find ample evidence of what individuals can do to improve their communities if they really put their minds and energies to work on the task.

If you want a superb example of what one determined and dedicated individual can do in this world of vast giants and in the face of seemingly impossible odds, consider the case of the young lawyer, Ralph Nader. Here is a modern David attacking the Goliaths of American industry—the auto manufacturers—and not only surviving but literally bringing them to account.

There is no cause for young people to feel insignificant or helpless; it is wrong for you to be indifferent or apathetic on the basis that the world is too vast, its problems too complex for one individual to do anything important about them. The single individual counts and counts frightfully in the modern world. The world will be what individuals want it to be. The world will be a better world, a happier world, a safer world for us and our children and our children's children if the individuals making it up are certain kinds of individuals. Let me now very briefly suggest several characteristics that I would urge you students to strive for. I would point out just three broad objectives to serve you as guideposts as you face the future.

First, make knowledge your guide to action. In this complex world, our decisions must be taken only after reasoned judgment based upon the facts. You have received a good

foundation at Vernon Court for making this a guiding principle through life. But in view of the rapid changes in knowledge, because research is constantly adding to the world's stock of information, you cannot be either educated in the intellectual and cultural sense or competent in your profession, if you assume that your education is complete when you graduate from here, or when you have earned a B. A., should you continue your formal education, as I hope many of you will; or even when you have achieved a Ph. D. should you continue further in graduate school. Education is a lifetime process, and if you are to make wise decisions and act intelligently, you must never stop learning.

Second, maintain intellectual integrity. Think for yourself. Fight pressures for conformity of thought. Be independent. Remember the Rhode Island tradition of independence, symbolized in the statue of Independent Man on top of the State House in Providence. Remember also that independence is the basis of freedom—and in the words of Pericles, "the secret of happiness is freedom."

Third, set high values for yourself. Studies of the values of college students have proved uniformly depressing. Professor Philip Jacob, for example, found that "the great majority of students appear unabashedly self-centered. They aspire for material gratifications for themselves and their families. They intend to look out for themselves first and expect others to do likewise." Though he was writing several years ago, even now after several years of student involvement in civil rights, of unrest on college and university campuses, and of support of such service agencies as the Peace Corps and Vista, the vast majority of students are still uncommitted to high values. But unless young people have higher values, unless they put consideration for mankind above self-interest, the world is indeed doomed. Unless they recognize the importance of moral and spiritual values as guides for conduct, their lives, regardless of any material success, or of the power or influence that is attained, will be a failure.

If you graduates strive to make these three guiding principles govern your lives, you have great days ahead of you. I am convinced that never before have young people, both men and women, had such a promising future. The challenge to your best abilities and effort are greater than ever; the opportunities are comparable. The world, in my opinion, is on the threshold of its greatest development in recorded history. Man holds within his grasp the possibility of ending everywhere the age-old scourges of hunger and disease and war. Given individuals with the intelligence and good will and moral courage to bring it about, the world can achieve golden days of peace and prosperity such as it has never known.

I envy you college graduates of today. It's an exciting time to be young and graduating from college, far more exciting than when I graduated thirty-seven years ago. It's exciting because the future holds out such great promise for you; it is a future needing and demanding as never before, your talents and your energies and your dedication to something bigger than yourself. You enjoy unusual opportunities for service and achievement and happiness. Those of you who are continuing your formal education, as I understand about one-fourth of you are, must wait several more years before you can grasp these opportunities. But whether it is this June, or June of 1969, or even later, when you terminate your full-time studies, the challenge is there. I hope that perhaps these remarks will set you to thinking about these opportunities and about the years ahead and what you want to do with those years.

May I again congratulate you upon your graduation today and wish you good luck and Godspeed in the future.

JOB CORPS WOMAN

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

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

There was no objection.

Mr. ALBERT. Mr. Speaker, I would like to call the attention of the House to a young constituent of mine, Willye Evans, now a resident adviser at the Guthrie Job Corps Center in Oklahoma. Willye heard of the Job Corps by accident. She was a college dropout and was very uncertain as to what her future might be. She decided to give the Job Corps an opportunity to present its program to her. It was not easy for Willye at first. She was homesick, and she admits she was disappointed.

An article appearing in the Daily Oklahoman tells of Willye's story, how she dropped out of Langston University for financial reasons, became uncertain, enrolled in the Job Corps, and has had several interesting jobs since she left the Job Corps. But perhaps the most important part of Willye's story is that she wanted to return and help train other young girls in the Job Corps so that they too would have a chance to make a better life for themselves.

I urge all of my colleagues to read Willye's story and, under unanimous consent, include it in the RECORD at this point:

"ACCIDENT" CHANGES LIFE FOR JOB CORPS WOMAN

(By Ford Hubbert)

By accident, Willye Evans, resident advisor at the Guthrie Job Corps Center, heard of the Women's Job Corps.

The Idabel college dropout answered the telephone at her mother's home two years ago and through a conversation with a Job Corps representative who was inquiring about a cousin of hers, she learned of the program.

"She asked me if I knew where my cousin was, she wanted to talk with him and see if he wanted to join the Job Corps," Willye said.

"I asked what Job Corps was and she told me. I attended Langston University for one year but had to drop out because I didn't have the money to continue," she said. "I made it the first year because of scholarships."

After her first encounter with the program, Willye was called into a Job Corps recruiting center where she was tested and interviewed. Soon she was sent to the Women's Job Corps training center in Los Angeles.

"I was afraid," she said.

"I had never been away from home and I was homesick. Building was still under way at the center and I was disappointed.

"But I stuck it out."

Willye was the second graduate from the Women's Job Corps program and the first graduate to be placed in employment with a private industry.

Her first job was "a great experience." She was employed with Consolidated American Service, Inc., in Washington, D.C.

She quit the job after eight months to take a position at the Job Corps center that opened last year in Guthrie.

"I felt I should put back into Women's Job Corps what I had received," she said.

"If it hadn't been for the Job Corps I still would be in Idabel looking for a job."

"My whole life has been changed. I've been to places and seen things I never knew existed.

"When they told me about Job Corps and what it could do for me, I didn't believe them.

"Even when they called me in for an interview with the man from Washington, I didn't believe him. I couldn't see how all these things could be happening to me.

"You don't know what it is not be able to believe them, but nothing like this (getting a job) had ever happened to me," she said.

Willye completed the Job Corps' secretary training the same year she began it.

While in Washington she was a special consultant for a group of exchange students from Africa. She was mentioned in the CONGRESSIONAL RECORD twice.

Like many other trainees at the center, Willye had to live by rules.

One of the first, listed in a booklet given each new recruit when she leaves her city for the training center, was, "women must not wear rollers in public areas." Another was "no hitchhiking."

Other rules came under headings such as attendance and schedules, care of property, obeying local, state and federal laws and manners and appearance.

"If the rules were not obeyed, it meant loss of pay or promotion or a discharge from the Job Corps," Willye said.

At Guthrie, she is a counselor in a dormitory where trainees unload their problems.

"You'd be surprised at the kind of problems these girls have," she said. "Each thinks hers is the worst. I did."

Girls, between ages of 16 and 21, are eligible for the program. They must be involved in a series of circumstances to qualify. High on the list are "reared in impoverished surroundings" and "unable to find or hold an adequate job."

Eleven training centers located across the United States, with the addition of four new ones opening currently, are providing vocational training in secretarial and clerical skills, bookkeeping, educational studies and home and family life and personal hygiene.

Oklahomans have been entering the centers at the rate of 25 per month since the first one opened two years ago, a spokesman for the state headquarters of the Women in Community Service, Inc. (WICS), recruiters for the program, said Wednesday.

But more are needed to fill new quotas. She said the state's new goal is 50 per month.

They are needed to fill the four new training centers and to fill vacancies left by graduating trainees.

WICS headquarters are in the Federal Building in Oklahoma City.

WE CANNOT AFFORD POVERTY—IT'S JUST TOO EXPENSIVE

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

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

There was no objection.

Mr BARRETT. Mr. Speaker, Mr. Robert N. Hilkert, first vice president of the Federal Reserve Bank of Philadelphia, addressing the 41st annual meeting of the National Council of YMCA's, in Philadelphia on May 12, 1967, offered a very practical and positive view of the antipoverty program and the response it demands of every American.

Mr. Hilkert, a new member of the Business Leadership Advisory Committee on Equal Opportunity of the Office of Economic Opportunity, explains in simple terms the meaning and need, of what I believe to be a newly coined phrase—"job power." His address should be read not only by every Member of the Congress, but every person in this great country of ours—for we must all be concerned with the well-being of America.

The address follows:

RESPONSIBLE CITIZEN ACTION

I think it is accurate to say that, materially, our country has done more good for more people than any country in all of history. A system that has succeeded in raising the living standards of 80 percent of its people to present levels deserves some kind of medal of merit.

This point I want to emphasize so that in speaking of a job still to be done I convey no impression that I am downgrading America. One can point to the achievements of our society without being callous toward those who are in need. It does, however, point to the moral problem.

The bald fact is that ours is hardly a livable society for a large number of underprivileged, deprived and handicapped people. Our goal must be to make our society livable for all. No one can feel comfortable about an America which is accurately described both at home and abroad as a land in which dire poverty exists in the midst of unmatched affluence.

A decent America simply had to declare war on poverty. However much we may differ about the logistics of this war, no moral and rational person can quarrel about our need to wage it.

The problems are difficult, complex and massive. They must be solved in ways which do not sacrifice the very forces which have operated to make ours an economically strong society. We must not be trapped by soft-headed answers to baffling economic problems.

The quest is for economic and social justice. The road is rough and tortuous. We must pursue it vigorously, imaginatively, and steadfastly, no matter how rough the way. Our society is on trial. Harry Emerson Fosdick used to say, "The basic test of any society is what happens to the underdog."

The war on poverty must be waged because we as citizens must meet our responsibilities which so clearly fall within the framework of justice and morality. Just as our country could not exist half-slave and half-free, so it cannot continue to be 80 per cent affluent and 20 per cent poverty-ridden. The call is for responsible citizen action in an all-out effort to reach those whom the Scriptures call "the least of these."

But the problem is not only moral! It is economic too. Poverty is an economic drag on our nation. We cannot achieve fullness of economic health and strength with this weight around our neck. The plain and basic truth is that we cannot afford poverty. It's just too expensive.

While I wish to make some comments on the subject of social welfare and the welfare state, I want first to say some things about the anti-poverty war, the programs arising from the Equal Opportunity Act of 1964. I do this first for the reason that this activity is to be clearly differentiated from "welfare" as commonly conceived. When we talk about the anti-poverty war we are not talking about traditional "welfare" programs. We are talking about *investing in America*. We are talking about *investing* in citizens. We are talking about investment programs which pay off far more than we lay out. We are talking about converting unemployables to employables and tax-eaters to tax-payers. We are not talking about merely doubling our money, we are talking about increasing it many times over. When the businessman says, "to make money, you have to spend money" he doesn't regard this as a handout procedure. Well, the anti-poverty programs are not handouts either.

Do businessmen really believe what I am saying? Do I sound way off base to any hard-hitting, profit-seeking, I-have-to-meet-a-payroll industrialist? Well, let's see.

Two days ago I attended in Washington a meeting of the Business Leadership Advisory Committee of the Office of Equal Opportunity (home of Sargent Shriver). I am a new member, and so I was "all ears." Seated around the tables were some 50 top officials of blue chip companies of America. I wish every person who has, at one time or another, accused businessmen of lacking social responsibility could have heard them. They told not only what they believed, but what they are presently doing, and what they intend to do, in support of the anti-poverty war. To a man they are not only fully behind the program, but to a man (and it is a bipartisan group) they are fully behind the President's proposed anti-poverty legislation. What struck me so forcefully was that they were not just "going along", but they were enthusiastic, and they were creative and innovative in giving the advice which is so genuinely and eagerly sought by our government, and which is being acted upon.

To be sure, these men are socially responsible men. But they are also hard-hitting free enterprisers who have to meet a payroll, and have to face stockholders. They believe that eliminating, or at least minimizing, poverty is essential to the *economic* health not only of the country as a whole, *but to their companies*.

This was one of the best examples I have seen of government and the private sectors working together in an all-out effort to solve our top socio-economic problem.

Many of us here today have special interests in supportive services. We need to remember that basic problems of human need are not solely related to health, welfare, and recreation services, especially as narrowly conceived. The crucial problem is income.

Let's look at this in terms of a power concept. Power, of course, is very much in the news these days—white, black, military, atomic, and so on. We don't hear quite enough about job power. Perhaps it is the most important of all.

Job power could virtually eliminate poverty. It could shrink the need for private charity and public welfare to a fraction of its present proportions. It could greatly reduce crime and delinquency. It could aid immeasurably in the struggle for civil rights and human dignity. Job power could accomplish all these things, and more, *because jobs create income*. And, as you in this room know well, when a man's income is adequate he can, to a large extent, satisfy his physical and psychological needs pretty much on his own. Spiritual needs are something else again, so I won't try to be too inclusive.

I am not saying job power *will* do all these things—only that it *could*—in very large measure—if somehow we could get it functioning with full efficiency. And that's far easier said than done. There are many problems to overcome, but there are practical ways by which much more job power can be generated.

These businessmen who were gathered in Washington two days ago talked this way. These men know that a strong economy, one characterized by sound, sustainable economic growth depends in our society upon valid profit expectations. They know that without a strong, well-functioning economy, based upon profitable business, industrial and agricultural foundations, there can be no "Great Society." Knowing all this, they are helping to fight the war on poverty. They believe they are investing in America. They believe they are exercising sound business judgment. They believe that what is good for the country is good for their companies. They believe that it is in the interest of our country and of the nation's business for them to be working *with government* in the field of *private job creation*.

The experience of meeting with these businessmen made it much easier for me to understand what Vice President Humphrey said some time back when he predicted that:

"In five years the biggest supporters of the war on poverty will not be the social workers, but the big corporation executives, the lawyers, and the bankers."

If Wednesday was a sample, we are well on the way.

To be sure, it is going to cost money, and I'm not for wasting money—it's even part of my occupational bias as well as my New England upbringing. But it would take a lot to convince me that we can't afford to do all that is proposed, remembering that OEO programs are dedicated *primarily to training, education, and motivation*—none of which is in any "handout" category. An article in Newsweek (April 2, 1967) points out that among industrialized nations (with two small exceptions) total taxation in America, even with Vietnam, is a lower percentage of gross national product than in any other country. We're not bleeding to death. I don't want to see us cut down on our investment in educating, training, and motivating the underprivilegd to become useful members of our society—using the argument that "we can't afford it." It wouldn't be true. It would only mean that we don't want to change any of our priorities and that we would rather not make much of a sacrifice for the common good. And with this let me leave the businessman, and turn to government; and from anti-poverty to social welfare.

Having been reared and educated in New England, I have found it hard to come to the conclusion which I now hold—which is that there is no solution to the social welfare problems of this nation without government involvement on a massive scale. The expenditures required—and my belief does not rest solely upon money cost—are so vast that they are far beyond anything that can be expected from the voluntary movement. Government is in the welfare business now, it will continue to be in it. It is in it because there is no alternative and because the welfare of the people *is* a continuing responsibility of government.

Not everyone believes this as strongly as I do. One reason is that many do not want to believe it. They long for a return to a world that was. They do not look dispassionately or always compassionately upon the world that is. It is, of course, hard to give up a belief long held that every man is both the captain of his soul and the master of his fate, poetic thoughts, plainly not true in the society in which we now live. I am sorry to say that some of my friends who are fast on the draw in criticizing government involvement and intervention are quite slow in setting forth feasible alternative solutions.

Having said this, I quickly turn to a grave fear. I have a certain fear of government, a fear born of the lessons of history. What I fear specifically is that the American concept of government of the people, by the people, and for the people may become simply, and tragically, only government *for* the people.

Here then, is the dilemma. On the one horn is the conviction that without a deeply involved government the needs of the people—all the people—cannot possibly be met. On the other horn is the fear that government the servant of the people may become the master of the people, and that the most effective and seductive way for government to become master is to travel the welfare road.

I am sure that there are many thoughtful people who find themselves struggling with this dilemma. I am sure that most of

us who are crusaders for voluntarism are wrestling with it.

The trouble with referring to an issue as a dilemma is that we too quickly conclude that there are but two choices and that only one can and must be chosen. I do not believe that such is the case in this issue. An optimist by nature, possibly naively so, I believe it is possible to have the best of two worlds—the world of government and the world of voluntarism. My optimism is based on the belief that not only do we need government *but government needs us.*

Two years ago, Mayor Arthur Naftalin of Minneapolis spoke to this point by saying:

"The federal government has discovered this need again and again. As many new welfare programs have been undertaken the federal government has made clear its feeling that their success requires more than government action, that the problems are too deep and too broad for government to cope with by itself."

He continued with numerous illustrations to demonstrate that:

"There is now a long and growing list of federal programs which are based on social planning on the part of local communities and on the part of nongovernmental agencies."

My own observations and experience convince me that government does realize the need to work with us, the volunteers. It is in fact working with many volunteers right now, and this is not new.

I am not sure that enough of us are convinced of the need for volunteers to work with government, and so our educational program must be directed to the firming up of this conviction. If we do not believe that an informed and enlightened citizenry can influence its government, then we don't really believe that our kind of government can work in accordance with fundamental American principles in this new day.

To influence government policy, government legislation, and government operation is a *major field for responsible citizen action.* For us not to be playing on this field is to be mere observers from the sidelines, and the game isn't won from there. This business of working with and influencing government at all levels is the most essential ingredient in the new dynamics of social planning. We can no longer travel alone.

I do think that too many people become overwrought emotionally with the term "welfare state." Too often it is a slogan used to whip up opposition to almost any kind of progressive legislation which one does not personally favor. We don't pin down our definitions. After all, who wants to live in an America whose government is *not* concerned with the welfare of people, a government not concerned with protecting and fostering the unalienable rights of man?

With equal fervor we must link this thought with another. Who wants to live in an America in which the people, as individuals and joined in voluntary association, fail to shoulder in substantial degree the welfare burdens of a responsible citizenry? Americans who take kindly to that government which "governs least" need to remember that it can be had only in a land in which "citizens do most."

Americans cannot enjoy the great privileges of citizenship without performing the duties which that citizenship places upon us.

I have been talking about "we" and "us"—meaning those of us who are active participants in the voluntary movement. *We* must now adapt to the new situation in which the concept of "we" has been greatly expanded. Just as democratic government must be broadly based, representative of all sectors of the community, so too must voluntarism be broadly based, representative of the total community. Citizen involvement cannot be limited—and indeed is not now limited—to the traditional, long-established, so-called "power structures" of our communities. The real power must be vested in the many, and not in what Gunnar Myrdal has called "the lively few." We are turning to the concept of the "lively many" as the only condition which befits the American concept—of, by, and for the people.

This expansion, this change, is not in every respect occurring in the most orderly and tidy ways. Democratic processes do not come easily and quickly to many who have hitherto had little experience with those processes, but we can remind ourselves that even our forefathers did not find the Constitutional Convention altogether orderly.

It is *indeed* much more difficult to work efficiently and effectively within a broadly-based order comprising individuals with heterogeneous backgrounds of experience than it is to work in the less broadly-based, more homogenous and more comfortable circles.

Nothing could be more tragic than for the new order not to include the old. When we talk about the involvement of the citizenry, we must exclude no segment, including that to which we belong, whatever that segment may be, or be called.

The new dynamics calls for adaptations on the part of volunteers (and public servants too) and calls for the exercise of a high degree of patience, tolerance, and understanding by both old and new. We must not be overly disturbed or influenced by name-callers, the few messiahs struggling for power who would have the community believe that progress will come only when we are rid of professionals, social workers, and all who comprise what they refer to as the "old establishment."

I should like to comment on what has been, and still is, a controversial subject, namely, the direct involvement of the citizens who are indigenous to our community "pockets of poverty," those beneficiaries of "community action programs" who are to be involved "to the maximum extent feasible." While certain aspects of implementation need far more thought than has been given to them up to now, *there is one central idea that must not continue to be controversial.* It is that responsible citizen action must include all groups, *including the economically and culturally deprived.* There should be no question in our minds that our disadvantaged citizens can and will provide new insights and perspectives, and will create a new community enlightenment. We see this happening. We observe a growing and justly deserved respect for the poor and dispossessed of our society, and a growing confidence in their ability to contribute to the making of a better society, not just for them, but for all of us.

Having said this I want to express strong disagreement with an idea that is spreading throughout cities, at least in some quarters, that *only* the poor comprehend the problems of poverty. This is as much an absurdity as to say that physicians cannot understand illnesses with which they have not personally been afflicted. It is unfortunate that there is developing a feeling that there is no diagnosis like self-diagnosis, and that there are no remedies like folk remedies.

In this *highly complex work* of social welfare the insights, abilities, and skills that are required are many and varied. Among these are executive and administrative abilities, business judgment and foresight, analytical talents and fiscal competence, economic as well as social perspective, and a knowledge of history. These essential attributes, and many others, are *not necessarily associated with low incomes.* The qualifications for handling huge, complex, costly programs go beyond sincerity, dedication, grassroot sociological insight, empathy, and personal income.

This is why we must make the big pitch to enlist our best businessmen, and I use that term broadly. They simply must become actively involved in the work of social welfare. Bear in mind that these programs are going to go on *whether they are in or out.* I just happen to believe that it will be better for the nation if they are in.

This is equally true of the professional community, including—in fact, especially in-including—the social work professions. Responsible citizen action rests upon the ability of the community to achieve unity of forces and utilization of all pertinent talents—to the "maximum extent feasible."

We cannot plunge ourselves into this work for the primary purpose of protecting vested interests. Our interests must be in promoting the well-being of *all* the people, including many whom the voluntary agencies have traditionally not served too well. Our concern must be not only with the victims of inequity and injustice, individuals in trouble. *Our concern must also be for the social ills* which cause so many of our citizens to be in trouble. We shall have to broaden our interests to include concerns which go beyond those typically coming within the immediate purview of health and welfare agencies. You in the YMCA's are doing this.

I know that our society must look to government for many things, but I really believe that the *quality* of the society that we look for in America will best be determined by the collective influence of volunteers, working with government. Some have spoken of this as a partnership. I happen to believe that it ought never be a true partnership, as I understand the word, because it is important for public institutions and private institutions to maintain a continuous healthy state of tension. In a true partnership it is too easy for one to fall for the ways of the other, and I'm afraid of that. My fear stems from an old adage about purse strings.

There is a lot of hard work ahead, for all of us. The goal—that of achieving a better society—is worthy of our best efforts. We can succeed. Remember the words in the Book of Nehemiah, "So built they the wall, for the people had a mind to work."

CUT OUT THE CIRCUS

Mr. PRYOR. 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. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MONAGAN. Mr. Speaker, one of the basic objectives of my legislative career has been to seek a shortening of our presidential campaigns. Since I began this fight back in 1960 many people have supported my position. The most recently announced advocate of the shorter campaign is Senator JOHN J. WILLIAMS, of Delaware.

Mr. Speaker, under unanimous consent, I include the following editorial, which appeared in the Hartford Times on June 1, 1967, in the RECORD as another illustration of the widespread editorial support for cutting the length of presidential campaigns.

Mr. Speaker, I had the privilege of testifying today before the Senate Committee on Finance which is studying legislation on political campaign financing methods. I recommended to the committee that they incorporate my proposal for a shorter presidential campaign in the bill which they will propose, and I also include my statement to the Senate Finance Committee:

[From the Hartford Times, June 1, 1967]

SHORTENING THE RUN

Once again agitation is beginning for shorter presidential campaigns.

The latest efforts have been launched by Senator John J. Williams, Delaware Republican, who says that the best way to cut impositions implicit in skyrocketing presidential election campaign costs would be to slash the campaigning period drastically.

Senator Williams thinks that five weeks would be sufficient campaign time in contrast to the present custom of carrying on for two or more months.

Congressman John S. Monagan, who represents our Fifth District, has been agitating for years for shorter election campaigns. He has said that he considers about 60 days enough for candidates to explain their views to the voters.

This is a huge country. It used to take a lot of time for candidates to cover even a small part of it in person. But radio, television and swift air transportation have erased the earlier necessity for protracted campaigns.

Today, candidates can get their messages into millions of homes in a single day and touch half a dozen states to address the people in several cities on one brief tour.

After the first few weeks of campaigning, candidates begin to hash over the same topics with such frequency the people tend to become fed up and lose interest.

Shorter campaigns are going to come some day. Why not in 1968?

POLITICAL CAMPAIGN FINANCING METHODS

(Statement of Representative John S. Monagan, Democrat of Connecticut, before the Senate Committee on Finance, June 7, 1967)

Mr. Chairman, ever since I was first elected to Congress in 1958 one of my objectives has been to shorten our Presidential campaigns. Specifically I have introduced legislation in every Congress since 1960 seeking to cut the length of these contests. I doubt if there is a political expert or commentator who would disagree with my position that our presidential campaigns are unnecessarily long, physically taxing on the candidates, unduly boring for the general public and extraordinarily wasteful in terms of the money spent and the physical and intellectual efforts expended.

I am testifying before this Committee today to assert my conviction that if the Federal government is going to get involved in the subsidization of presidential election campaigns then it must, as a prerequisite to this involvement, set realistic limits on the length of the quadrennial circuses to which our presidential and vice presidential candidates are otherwise irrevocably committed.

Mr. Chairman, my efforts up to now have not been successful. Unfortunately, the strength of the opposition to long presidential campaigns dissipates rapidly after each election. It is not a meat and potatoes issue.

The enactment of the "Presidential Election Campaign Fund Act of 1966" in the last session of Congress provided, I thought, an excellent vehicle for calling attention to this needed reform of our campaign procedure. Thus, on the 1st day of the 90th Congress I introduced H.R. 892 amending the Presidential Election Campaign Fund Act. My amendment would have imposed a further limitation on the distribution of funds to a political party so that no funds would have been available to a party if its candidate for President or Vice President were nominated more than 60 days before the day established for the appointment of electors. Title III Section 1 of the U.S. Code provides that "The electors of President and Vice President shall be appointed in each State, on the Tuesday next after the first Monday in November in every 4th year succeeding every election of a President and Vice President." Thus if my amendment were now in effect, in the 1968 Presidential election no political party could hold its nominating convention before September 6, 1968 and still be eligible for funds under the Campaign Fund Act.

My bill, H.R. 892, is no longer relevant in the light of the enactment of the investment tax credit bill which contained a rider making the campaign Fund Act inoperative until guidelines are enacted by Congress. Nevertheless the objective of H.R. 892 can, and should be incorporated in the bill reported by this Committee.

Some may question the connection between shortening Presidential campaigns and a bill providing for Federal financial support for such campaigns.

The first and most obvious connection is that if the Federal government is going to subsidize these campaigns it should be interested in limiting this expense by preventing waste. Sixty days is more than enough time to bring the issues to the public and debate them thoroughly; in fact, in almost every civilized country in the world 30 days is the electoral period. We can do the same as Israel, Britain or India. Second, President Johnson in his recent message proposing the financing of campaigns said "Public participation in the processes of government is the essence of democracy. Public confidence in those processes strengthens democracy." I submit that long, drawn-out campaigns tax the endurance of our citizens and undermine their "confidence in . . . democracy." Even more important, they eventually tend to bore people, which is even more serious. Third, the bill recommended by the President is tentatively entitled "The Election Campaign Reform Act of 1967." No reform of our campaign procedures can be complete unless we come to grips with one of the most glaring deficiencies in our system: The inordinate amount of time that we devote to campaigning.

Mr. Chairman, I believe the Federal government can play an important role in stimulating "public participation in the process of Government." We are living in the 20th century, however, with communication satellites, jet-powered commercial airplanes, network TV and radio we continue to tolerate a political campaign system which has not changed since the days of torch fire parades. Modern transportation renders long campaigns unnecessary, modern communications render long campaigns wasteful. I would not begrudge the time if it were serving a useful purpose, but in the political business, the area of diminishing returns on campaign exchanges is very rapidly attained.

This Committee and this Congress can discharge its obligation to the American people by proposing and enacting an Election Reform Act which will eliminate one of our most obvious political liabilities—the 4 to 5 month Presidential campaign.

COUNTY SHARE OF FOREST RECEIPTS

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

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

There was no objection.

Mr. OLSEN. Mr. Speaker, I rise to introduce a bill to the House which would clarify the laws relating to the disposition of moneys obtained from the sale of materials from the national forests.

In 1908, the Congress set down the basic policy for the sharing of revenues derived from our national forest reserves. The law provided that 25 percent of the revenues should be turned over to the State and local governments in lieu of the taxes which would have been paid, had the land been in private ownership.

The creation of the national forests early in this century has had a dramatic effect on the State and local taxation in the Western States. It has precluded the ad valorem tax from millions of acres of productive land. But the burden is even heavier, for the State and local governments still have the responsibility of administering the State police powers over these large areas. They still have to provide for the health, safety, and welfare of the citizens in our national forests. And the States still have the primary responsibility for education and road construction in these remote areas of our country.

It was in recognition of this latter burden that Congress enacted the revenue-sharing provision in the 1908 act. And, until recent times this law has served to support the administration of State responsibilites in national forest lands.

It is unfortunate that the drafters of the 1908 act did not specify that the 25-percent payments should come from the gross receipts of the timber sale, as was obviously the intent of Congress at that time.

It is unfortunate because the Forest Service has chosen to interpret the act as requiring the 25-percent fund to be taken—not from the gross receipts, but from the net receipts of the timber sale. This interpretation has had two serious consequences.

First. It has provided the Forest Service with a discretionary "slush fund" for which they are accountable to no one. The money can be turned over to the States or it can be applied to forest service expenditures for which they are unwilling, or unable to receive congressional appropriations.

Second. This interpretation has also left the local county governments with slowly diminishing returns from the 25-percent fund. In addition, the local county officials are forced to budget, not only with the erratic fluctuations of the timber market, but also they must guess how much 25-percent money the regional forester will allow them.

Mr. Speaker, the act of 1908 has been misinterpreted by the Forest Service. It is clearly a case of "administrative legislation," and it is the purpose of my bill to return the administration of the act to its original congressional intent.

A HOPEFUL SIGN IN THE MIDDLE EAST CRISIS

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentlewoman from New York [Mrs. KELLY] may extend her remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mrs. KELLY. Mr. Speaker, the United

Nations Security Council's appeal for an immediate cease-fire in the Middle East is a hopeful sign.

It is admittedly only the first step, but a very necessary step, in the direction of peace.

The Security Council's unanimous approval of the cease-fire resolution brings credit to the efforts of President Johnson, and of Ambassador Goldberg, who have labored tirelessly to find a solution to a situation fraught with great danger.

I am certain that the Council's action was also favorably affected by the eloquent plea of Mr. Abba Eban, the Foreign Minister of Israel, who once again demonstrated his earnest desire "to build a bridge to peace."

These three great leaders, with whom I have had close working relations for many years, deserve our congratulations and commendation.

In taking the floor today, I want to express my personal conviction and my hope that Foreign Minister Abba Eban's three principles, outlined last night to the Security Council, will merit our full support.

Those principles simply ask that the reality of Israel's statehood be accepted; that her historic roots in the Middle East be acknowledged; and that the disputes which have rent the area be solved in a peaceful manner.

Certainly no one can challenge the reasonableness of these three propositions. They are based on reality—and they attest to Israel's desire to achieve peace with justice.

Mr. Speaker, the U.N. Security Council has rendered a great service. But the road to peace is long and there are many tasks which still lie ahead.

For that reason, I want to urge the Security Council and the United Nations as a whole to continue in the effort to find a lasting solution to the Middle East conflict.

The fighting is still to be brought to a stop.

The principle of freedom of navigation is still to be made secure. This applies particularly to navigation through the Suez Canal and the Strait of Tiran.

And the whole complex of controversies relating to national borders, refugees, and the like, remain to be solved.

The United States has worked with the United Nations in taking the first step. We must now move boldy ahead, until the job is finished, committing our best efforts to these vital tasks.

THE REAL TRADE TRENDS

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. DENT] is recognized for 30 minutes.

Mr. DENT. Mr. Speaker, now that the Kennedy round has been negotiated in Geneva this country should make an effort to determine where we stand competitively in world trade on the eve of the drastic tariff reductions now facing most of our industries.

We would never know from scanning the official statistical reports of the Departments of Commerce and Agriculture that our industries and farms enjoy anything but the most satisfactory competitive position in foreign markets. These Departments would have us believe that we enjoy a whopping export surplus year after year. They have been misleading the public with their padded reports of our exports and deflated reports on the size of our imports.

As a result the public is not aware of the really weak competitive position of this country in private foreign trade, leaving out the goods that we give away or subsidize in order to find a market for them abroad.

Mr. Speaker, as chairman of the General Subcommittee on Labor of the House Committee on Education and Labor, I can say after many months of hearings, that scores of our industries are already suffering from low-cost import competition. If it were not for the defense expenditures numerous industries would be in distress today as a result of imports.

Quite aside from the testimony of the industries that appeared and gave testimony, the more detailed trade statistics which show trends in imports and exports by classes of goods, show that this country is being crowded in foreign markets for our manufactured goods and that we are losing out to other countries. In our own home market for manufactured goods we are also being badly crowded by lower cost imports.

It is in the production of manufactured goods that most of our industrial employment takes place, not in raw materials, and it is a fact that our exports of manufactured goods are lagging while our imports of these goods have been booming. Labor takes the brunt of this trend and will continue to take it. Industry can in many cases cover itself by opening up production abroad, as it has been doing on a grand scale in the past 5 to 10 years. With the exception of exports of machinery and semi-manufactures of chemicals, we are shrinking our export markets through these foreign investments.

Mr. Speaker, I offer for the RECORD the statement of O. R. Strackbein, who is Chairman of the Nation-Wide Committee on Import-Export Policy. He devotes himself to an analysis of the trends in our imports and exports, with special attention to manufactured goods.

I believe, Mr. Speaker, that all Members of this body who are interested in what is happening to our trade—and that should include all of them—should examine this analysis. The story it tells about the trends in our trade cannot be ignored. The handwriting is on the wall.

Under leave to extend my remarks I insert at this point the testimony of Mr. Strackbein:

EMPLOYMENT AND IMPORTS

(Statement of O. R. Strackbein, chairman, the Nationwide Committee on Import-Export Policy, before the Dent Subcommittee on Labor, May 24, 1967, on H.R. 478 and H.R. 479)

The completion of the so-called Kennedy Round of tariff reductions brings to a halt, if not to an end, thirty-three years of tariff reductions under the Trade Agreements Program, which was first enacted in 1934.

Under a succession of tariff-reducing agreements and conference the average duties collected by this country on imports subject to a duty has fallen from 50% in the 1931–35 period to 12% in 1965. The effect of the Kennedy Round should bring the average level to 7% or 8%. Some 35% of our imports are on the free list. Averaged over total imports the duty burden will be about 5% at the end of five years, or not far from free trade, when the Kennedy Round reductions take complete effect.

These tariff reductions, because of many trade and economic disruptions in two decades, did not produce a notable surge in imports until 1962. Then they rose 74% between 1961 and 1966, while exports increased only 42%.

However, the 74% average hides important variations that point to a trend in imports that is alarming to many industries. More on this later.

The most characteristic feature of our imports since 1961 has been the relatively greater growth of imports of manufactured goods. These have risen much more rapidly than imports of raw material and crude foodstuffs.

This diversity of trends was no accident. It reflects the anatomy of our competitive position in the world of trade.

If rising imports reflect relatively lower costs of foreign goods, which they do if domestic industries are not able to compete with them in the domestic market, we should be interested in the economic source of the relative cheapness of imported goods.

Why do foreign producers and manufacturers succeed in achieving lower costs in an increasing number of products over American producers?

One of several answers suggest themselves. One might be that they are more efficient producers, that they get more output from their workers per hour than we do in this country. Another possibility would lie in having access to cheaper raw materials, either because of richer soil, a more suitable climate in the case of agricultural products or richer ore or other mineral deposits than we enjoy in this country; or because, again, they are more efficient producers even if they lack superiority in soil, climate and mineral deposits.

The other possible explanation of cheaper goods would be found in lower foreign wages in realtion to worker productivity compared with this country. This combination would account for the lower costs without suggesting greater productive efficiency. Very low wages could tolerate a wide margin of lower productivity, and yet result in lower unit costs.

Usually it is contended that American manufacturers are more efficient than their foreign competitors. Europeans, in fact, complain about what they call the technological gap between themselves and this country. This would mean that while our workers may not be more diligent or industrious they nevertheless produce more per hours than their foreign competitors because of the superior machinery with which they work.

It is indeed strongly contended that we can afford to pay higher wages than the other countries precisely because our productivity does exceed their level; and the contention is justifiable in most instances. It is one of the modern mysteries, however, how instantly this superior efficiency disappears when American producers and manufacturers complain about their inability to compete with imports. They are then accused immediately by American importers and a variety of seemingly omniscient editorial writers of inefficiency. Otherwise they should obviously be able to compete with low-wage countries. Inefficiency is the handicap from which they suffer.

It is equally remarkable how quickly an American industry can be switched by these apologists for low-wage foreign competition from a highly efficient industrial giant that can well afford to pay higher wages than other countries, into a backward, complacent and inefficient industry, burdened with

obsolete machinery and equipment, when they find imports a menace. There seems to be no exception to this magical switch. Even the steel industry falls a victim to it.

When that industry points to an average wage exclusive of fringe benefits reaching $3.57 an hour early in 1967 compared with wages of a third to a quarter as high in competing countries, it is said that it should have no complaint. Rather, it should be delighted with its advantages in higher productivity; but if the industry complains about imports the tune is changed. The trouble suddenly lies with the inefficiency of our steel companies. They are accused of letting other countries surpass them in technology.

The critics are supreme experts at eating their cake and still having it. From such an accusation of inefficiency as just related to a taunt that a great industry in the forefront of the American economy should have nothing to worry about from import competition is made without shifting gear into reverse. The operation is so smooth that eating a cake and still having it is a minor miracle by comparison.

The formula is somewhat as follows: If an American industry is efficient it has nothing to worry about from imports. If imports do cause trouble, the domestic industry must be inefficient and deserves the trouble it is in. In other words, the domestic industry is damned either way. On the other hand, if a foreign industry is inefficient it needs a greater outlet in this country to help it move ahead.

Unquestionably competitive capabilities vary from industry to industry and even from product to product within an industry. The same is true of foreign competition. It varies from country to country and from product to product.

Nevertheless the trend of imports of this or that class of goods, visible from import statistics properly broken down, provides the answer. If imports rise steadily we may assume that a foreign competitive advantage exists. American industry does not usually suffer from lack of productive capacity and, with well-known exceptions, readily supplies the market. If imports capture a rising share the reason is not far to find: Simply examine relative domestic and foreign costs.

In imports and exports, whatever the variations are, the competitive realities come out in the wash, so to speak; or to put it differently, the test of the pudding is in the eating of it.

If differentials in cost determine in large part the relative rise or fall in imports and exports, as they do in a competitive market, we should look at the wage contents of goods if we wish to find an explanation of trade trends—for the simple reason that the labor going into the making of a product, from raw material, farm or mine, through the various stages of production account for some 75–80% of the total cost.

Manufactured products incorporate more steps of labor than do raw products. A manufactured product may go through a number of processes and fabrications in each of which additional labor is applied. A raw product goes through a minimum of steps, possibly only one or two exclusive of transportation. Semi-manufactures fall into a halfway slot between raw products and finished manufactures.

From this recitation it would follow that a high-wage country would more easily dispose of its raw products in foreign markets than finished products because the raw material is not loaded with so many successive man-hours of high-cost labor. Finished goods would be less likely to enjoy a competitive advantage. Of course, they might still sell abroad if (1) foreign countries experienced shortages, (2) were not yet adequately equipped to produce particular goods competitively, or (3) especially if we should subsidize or give away these products. By that route we could continue to achieve handsome export surpluses without really trying.

On the other hand, the advantage would lie in the reverse direction with imports.

A high-cost country would find it more advantageous to buy finished products from lower-cost foreign countries precisely because these goods do incorporate successive stages of production. While it is advantageous to import raw materials from low-wage countries the advantage broadens as still more of the cheap labor is incorporated in the product. This is the case with respect to finished goods or finished manufactures, as our Census Bureau classifies these products.

The importation of raw materials and crude foodstuffs would under the same circumstances offer a lesser incentive, simply because they contain the least amount of low-wage labor.

If we now examine the import trends of these classes of products from 1961–66, which is the latest 5-year period and coincides with the biggest upsurge in imports since World War II, we will discover a remarkable correlation with the expected trends as just set forth.

From 1961 to 1966 imports of crude foodstuff increased from $1.60 billion to $2.12 billion, or 32.4%.

Crude material imports rose from $2.87 billion to $3.85 billion, or 34%.

Under our formula imports of semi-manufactures should have increased appreciably more because these products have had more low-cost labor applied to them. Imports increased from $3.38 billion in 1961 to $5.49 billion in 1966. This was an increase of 65.3%, or about twice as much as the increase in imports of raw materials and crude food products.

Our formula calls for the highest increase of all in the form of finished manufactures, since these goods incorporate the greatest amount of labor of all. Here we find imports rising from $6.68 billion in 1961 to $13.99 billion in 1966. This was an increase of 109.5%. This was over three times the increase registered in the importation of raw products, including foodstuffs, and nearly 70% higher than the rise in imports of semi-manufactures.

A small table will present the foregoing facts in handy form:

U.S. imports

[Dollar amounts in millions]

	1961	1966 [1]	Percent increase
Crude foodstuffs	$1.60	$2.12	32.4
Crude materials	2.87	3.85	33.9
Semimanufactures	3.38	5.59	65.3
Manufactured goods, including food	6.68	13.99	109.5

[1] 1966 imports are preliminary and unrevised and represent general imports.

These facts override whatever theories might be invoked to produce different results. The marketplace sometimes flunks its tests in theoretical economics.

The conclusion to be drawn from the import trends of the past five years is that our national trade policy aims a sharp arrow at the heart of the labor standards in this country, including not only wage levels but employment.

With this country facing yet further tariff reductions the trends of the past five years may be expected to accelerate. The evidence presented to this Subcommittee is sufficient to substantiate this expectation.

FOREIGN INVESTMENT—FLOW OF CAPITAL INTO FOREIGN PLANTS AND SUBSIDIARIES

Import pressure will produce at least two effects, both to the detriment of labor and employment: (1) it will stimulate more mechanization and automation, and (2) it will accelerate the flight of capital to foreign countries as a means of supplying foreign markets from within rather than increasing exports from this country. In some instances the foreign subsidiaries will ship to yet other countries rather than from the United States; and in the same or other instances they may ship into the American market those lines that the home company does not produce here, but that other domestic companies may produce here.

The great surge of foreign subsidiaries of American industry in recent years has been marked by an amazing growth. Sales made abroad by these subsidiaries have grown much more rapidly than our exports. This fact has meant more employment abroad rather than at home. The industries engaging in this great foreign expansion are making feverish efforts to prevent the debacle that a collapse in exports would mean. There can be little doubt that exports have been sustained by these foreign investments. Parts and component shipments have helped maintain export levels, and the export of machinery has risen sharply in response to the foreign investments. In time, however, the foreign countries will supply their own parts for the assembly plants, as Mexico, Brazil and India are notably striving to do. Restrictions on imports of parts and components are tightened from time to time, with the goal of virtual self-sufficiency.

Also, while our machinery exports have boomed, machinery imports have risen and continue to rise more sharply. We still enjoy a surplus in machinery exports, but it was only a few years ago that we also enjoyed an export surplus in steel, automobiles, textiles, typewriters, sewing machines, petroleum and a number of other products. Now we import more of these products than we export. Machinery is on a rapid trend in the same direction. We have but to consult the export-import statistics to find that from 1958–65 machinery exports rose 75% while machinery imports climbed 272%. Thus, while exports still have a comfortable lead, the same could have been said of some of the other products before the reverses occurred.

EXPORT TRENDS

If we turn to trends in exports we will find the same principle exemplified as in imports.

Exports of inedible raw materials, incorporating the least labor, expanded 67% from 1958–65, while exports of manufactured goods other than machinery rose only 45%.

Again carrying out the same principle, *imports* of inedible raw materials increased only 30%, compared with the *export* increase of 67%. There was less advantage in importing raw material because there was less saving. On the other hand, other countries bought more readily our raw materials precisely because these materials had the least amount of our high-cost labor expended on them.

In a different classification of exports and imports, published by the Department of Commerce, we find one grouping that is called "Other Manufactured Goods". This is exclusive of machinery and transport equipment.

Here we find further corroboration of what has already been said. These Other Manufactured Goods include such categories as Metals and Manufactures, Textiles Other Than Clothing and Textile Clothing, and a broad miscellany of other goods.

From 1958–65 exports of Other Manufactured Goods rose only 29.7%. Imports rose 125.1%.

The breakdown reveals some of the details. Exports of Metals and Manufactures rose only 31.9% compared with an import rise of 146.8%.

Textiles Other Than Clothing (meaning

fabrics, cloth, etc.) had an export increase of 22.2% while imports rose 110.7%.

Textile clothing recorded an export increase of 52.1%, which was fairly brisk; but imports climbed 212.1%.

Surely these statistics which strongly corroborate those cited earlier can leave no reasonable doubt about the weak competitive position of this country. This is attributable almost exclusively to the higher labor costs. However, this is not said in derogation of our wage levels. We need high wages to absorb our unmatched volume of output of consumer goods. We cannot reduce labor costs without displacing workers; and total costs cannot be reduced in any meaningful sense without reducing labor costs, for the reasons already given.

From the statistics cited here it is incontrovertible that the wage-productivity combination in many other countries comes out with a distinct and appreciably lower cost per unit of production, let the classical economists sing their outworn songs as long as they like. Competitive realities of the marketplace, reflecting innumerable governmental interferences both here and abroad, make of their chanting something that should preferably be put on a record for preservation in a museum. Yet it is their song that has guided the national tariff and trade policy.

THE AMERICAN MERCHANT MARINE

There is perhaps no better example than our merchant marine as an exhibit of this country's relative status *vis-a-vis* foreign competitors.

Our ships compete with foreign ships both in respect of construction and operation. Our shipyards are manned by American workers receiving American wages. Those of our ships that fly the American flag are also manned by American crewmen and paid the American level of wages.

Foreign ships are built in foreign yards and the ships are manned by foreign seamen who receive wages according to the country. Therefore we have the spectable of our costs, based predominantly on our wages, competing directly and without a cushion with foreign costs. The findings of our government as the basis for a subsidy is that our costs, both in building and operation, are a little more than double those of foreign shipbuilders and operators.

The same discrepancy in cost may be expected to exist in other domestic industries face to face with import competition. However, at least three other factors help to cushion most of the other industries against naked competition. (1) Some 65% of our imports carry a duty averaging 12%. (2) Beyond import duties, our inland markets are further protected by freight charges from ports of entry on imports. (3) Many of our industries enjoy the benefits of mass production. Shipbuilding at the current rate of production makes mass production impossible. Only the materials going into the ships may be mass-produced, such as steel, lumber, electrical equipment, etc.

It is possible therefore to look upon the competitive position of the merchant marine and to reflect that every other industry in this country is in the same position, modified only by the tariff, inland freight and mass production. What is so open and visible as an impossible competitive position in the merchant marine becomes less visible with respect to other industries. In some instances it may, of course, be true that the other factors cited, especially mass production, overcome the competitive gap. In a few instances heavy inland freight charges may do the same, although not on the seaboard. Cement is a good example.

The most important of these factors may indeed lie in mass production; but the degree of mechanization and automation varies greatly. To the extent that it does lie in mass production the advantage is subject to disappearance as other countries modify their productive systems on our model. This modification is occurring rapidly. Therefore the advantage that we have enjoyed may be regarded as a fading one. As for the advantage offered by the tariff—that too is fading. There remains only inland transportation; and this is a varying asset as insulation. No average percentage of cost advantage accruing to domestic producers compared with imported goods from this source has been calculated; and it is doubtful that a reliable yardstick could be devised.

In any event, the insulation enjoyed by domestic producers over the merchant marine is disappearing. In time the labor employed by these other industries will come face to face with a competition from abroad that will be little different from that of the merchant marine, i.e., without insulation.

This is a bleak prospect when we learn that the American merchant marine has been so badly battered that it carries less than 8% of our total import and export trade under the American flag; and that it would be eliminated completely were it not subsidized by the government, as a matter of national security.

It becomes quite evident that as matters stand today the tariff is destined to recede more and more as a competitive equalizer. Therefore substitutes must be found.

HAVING THE CAKE AND EATING IT

The free-trade contingent of this country may regard itself as friendly to labor—at least those of them who are of the liberal persuasion. Nevertheless their position on trade places two great burdens on labor: the constant pressure for automation, such as is exemplified today by the steel industry, in a competitive race with foreign costs. It would require the sacrifice of a very large number of jobs, for example, in the steel industry to reduce the cost of steel by even 10%. In another example, that of coal, the cost of remaining in a competitive position was the jobs of more than 300,000 coal miners, or two of every three. Most of their competition, it is true, came from domestic sources, but the principle is the same.

The free-trade view is that domestic industry must become competitive with imports or be indicted for inefficiency. Efficiency in nearly all cases, however, is a question of productivity per man-hour; and this can be increased appreciably only by the installation of labor-displacing machinery, as already indicated.

Thus the free-trader is in the position of holding industry's feet to the fire, with labor's feet held outward at the perimeter the first and foremost to be scorched and roasted. Generally the free-traders supported the legislative enactments that, outside of war, brought the American wages to their high and vulnerable level. Now they blame industry for its inability to carry the handicap in competition with foreign countries where the same legislation did not apply and to which it does not extend.

In other words, legislative enactments, hand-in-hand with war, placed American wages on a plateau, surrounded by low-lying wage levels in other countries. This was an effect that is quite outside of the operation of normal economic forces. Yet the economists insist on treating the American competitive position as if it had been a normal peacetime development, which it is not. They seem to be willing to wreck industry after industry on this theory and have the government pick up the pieces through adjustment assistance.

This bizarre insistence is inequitable and unjustifiable. Instead of adjusting their theories to the facts of life, the free-trade economists insist on forcing the American economy into the molds of their unrealistic thinking.

Mr. Chairman, the legislation represented by H.R. 478 and 479 would be of great help in focusing the attention of the Department of Labor on the effects of tariff reductions. We should not forget that it is not only the reductions forthcoming under the Kennedy Round that are of concern. Past reductions have already produced far-reaching effects and will produce yet more.

The Kennedy Round will accelerate forces that are already in motion. Distress will come to more industries.

There will be a need for reversing tariff reductions in those instances in which the tariff is a useful instrument. In other instances quantitative restrictions will be called for. In yet other instances, a combination of tariff and import quotas will be the most useful instrument. This combination is usually referred to as tariff quotas.

It is obvious today that the adjustment assistance provisions of the Trade Expansion Act of 1962 are a dead letter. The very system in any case was misconceived. Why should imports be permitted to wreck our industries at our expense? Why should it be incumbent on the United States to make all the adjustments? What crimes have our industries and their workers committed that they should suffer the punishment that is implicit in the trade program? Why, if our economy has been so sinful and criminal, is it the support of the world, and why is it the subject of copy by so many other industrial countries?

These questions remain unanswered because answering them would uncover the inconsistency of our national trade policy.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PELLY (at the request of Mr. ARENDS), for the week of June 12, on account of official business.

Mr. KLUCZYNSKI (at the request of Mr. ALBERT), for June 8, 1967, on account of official business (Select Committee on Small Business).

Mr. HORTON (at the request of Mr. GERALD R. FORD), for tomorrow, on account of official business as member of subcommittee of the Select Committee on Small Business holding hearings in Kansas and Utah.

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. DENT (at the request of Mr. PRYOR), for 30 minutes, today; to revise and extend his remarks and include extraneous matter.

Mr. FEIGHAN, for 15 minutes, today, to revise and extend his remarks and include extraneous matter.

Mr. TALCOTT (at the request of Mr. WYLIE), for 10 minutes, on June 8, 1967, and to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

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

Mr. YOUNG and to include extraneous matter.

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

Mr. FINO.
Mr. SMITH of New York.
Mr. BLACKBURN.
Mr. THOMSON of Wisconsin.

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

Mr. JOHNSON of California.
Mr. KEE.
Mr. TUNNEY.
Mr. O'NEILL of Massachusetts.
Mr. MINISH.
Mr. CULVER.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 65. An act for the relief of Dr. Miguel Alberto Rojas-Machado;

S. 130. An act for the relief of Dr. Maria Yolanda Rafaela Miranda y Monteagudo;

S. 131. An act for the relief of Dr. Julio Valdes-Rodriquez;

S. 133. An act for the relief of Dr. Hector Jesus Sanchez-Hernandez;

S. 134. An act for the relief of Dr. Rafael A. Penalver;

S. 135. An act for the relief of Dr. Hilario Anido-Fraguio;

S. 165. An act for the relief of Dr. Ramon Baez Hernandez;

S. 167. An act for the relief of Dr. Anselmo S. Alvarez-Gomez;

S. 173. An act for the relief of Dr. Luis G. Dediot;

S. 175. An act for the relief of Dr. Sherif Shafey;

S. 439. An act for the relief of Dr. Rafael Jacinto Nobo y Pividal (Rafael Nobo); and

S. 501. An act for the relief of Dr. Fernando O. Garcia-Hernandez.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 6 o'clock and 25 minutes p.m.), the House adjourned until tomorrow, Thursday, June 8, 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:

812. A letter from the Secretary, Judicial Conference of the District of Columbia Circuit, transmitting a resolution in support of the enactment of S. 1509; to the Committee on the District of Columbia.

813. A letter from the Secretary, Judicial Conference of the District of Columbia Circuit, transmitting a resolution requesting the amendment of District of Columbia Code (1961), title 31, section 101; to the Committee on the District of Columbia.

814. A letter from the Secretary, Judicial Conference of the District of Columbia Circuit, transmitting a resolution regarding implementation of the report of the President's Commission on Crime in the District of Columbia; to the Committee on the District of Columbia.

815. A letter from the Comptroller General of the United States, transmitting a report of potential savings by revising procedures relating to the default of guaranteed housing loans in the State of Illinois, Veterans' Administration; to the Committee on Government Operations.

816. A letter from the Postmaster General, transmitting a draft of proposed legislation to authorize the Postmaster General to negotiate and enter into rental agreement with postmasters of fourth-class offices; to the Committee on Post Office and Civil Service.

817. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated March 21, 1967, submitting a report, together with accompanying papers and an illustration, on a letter report on Trinity Bay Soil Conservation District, Texas, authorized by the Flood Control Act approved June 30, 1948. No authorization by Congress is recommended as some of the desired improvements have been constructed by local interests and the remainder have been authorized under the Watershed Protection and Flood Prevention Act (Public Law 566); to the Committee on Public Works.

818. A letter from the Acting Secretary of Commerce, transmitting the 79th quarterly report on export control for the first quarter 1967, pursuant to the provisions of the Export Control Act of 1949; to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

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

Mr. GARMATZ: Committee on Merchant Marine and Fisheries. H.R. 162. A bill to grant the masters of certain U.S. vessels a lien on those vessels for their wages and for certain disbursements; with amendment (Rept. No. 341). Referred to the House Calendar.

Mr. GARMATZ: Committee on Merchant Marine and Fisheries. H.R. 168. A bill to amend the act of June 20, 1918, relating to the retirement age requirements of certain personnel of the Coast Guard (Rept. No. 342). Referred to the Committee of the Whole House on the State of the Union.

Mrs. HANSEN of Washington: Committee of conference. H.R. 9029. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1968, and for other purposes. (Rept. No. 343). Ordered to be printed.

Mr. GARMATZ: Committee on Merchant Marines and Fisheries. H.R. 169. A bill to increase the amounts of benefits payable to widows of certain former employees of the Lighthouse Service, and thereafter to provide for cost-of-living increases in benefits payable to such widows and to such former employees; with amendment (Rept. No. 344). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARMATZ: Committee on Merchant Marine and Fisheries. H.R. 3351. A bill to amend the act of August 19, 1950, to provide annuity benefits for an additional number of widows of employees of the Lighthouse Service. (Rept. No. 345). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. BRASCO:

H.R. 10620. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer; to the Committee on Ways and Means.

By Mr. BROWN of California:

H.R. 10621. A bill to expand the definition of deductible moving expenses incurred by an employee; to the Committee on Ways and Means.

By Mr. CEDERBERG:

H.R. 10622. A bill to amend the Merchant Marine Act, 1936, as amended, to encourage investment in the independent American Great Lakes merchant marine by providing a program of assistance in the construction of vessels, to correct inequities, to stimulate the domestic commerce of the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. FINO:

H.R. 10623. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for income tax purposes of commutation fares paid by an individual in traveling to and from work; to the Committee on Ways and Means.

By Mr. FULTON of Tennessee:

H.R. 10624. A bill to amend title 10 of the United States Code in order to eliminate the requirement that a person must be 60 years of age or older in order to receive retired pay for nonregular service in the Armed Forces; to the Committee on Armed Services.

H.R. 10625. A bill to exempt from the antitrust laws certain combinations and arrangements necessary for the survival of failing newspapers; to the Committee on the Judiciary.

H.R. 10626. A bill to amend the Internal Revenue Code of 1954 with respect to returns and deposits of the excise taxes on gasoline and lubricating oil; to the Committee on Ways and Means.

By Mr. HOLIFIELD (by request):

H.R. 10627. 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. KUPFERMAN:

H.R. 10628. A bill to provide Federal leadership and grants to the States for developing and implementing State programs for youth camp safety standards; to the Committee on Education and Labor.

By Mr. LEGGETT:

H.R. 10629. A bill to provide additional benefits for optometry officers of the uniformed services; to the Committee on Armed Services.

By Mr. OTTINGER:

H.R. 10630. A bill to amend the Internal Revenue Code of 1954 to provide that a portion of the retirement benefits of a public employee shall not be subject to the income tax; to the Committee on Ways and Means.

By Mr. PEPPER:

H.R. 10631. A bill to amend the joint resolution of October 23, 1965, relating to National Parkinson Week; to the Committee on the Judiciary.

By Mr. PICKLE:

H.R. 10632. 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. RARICK:

H.R. 10633. A bill relating to the conservation of natural resources upon lands of the United States and amending certain provisions of the Outer Continental Shelf Lands Act and the Mineral Leasing Act; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 10634. A bill to provide for the adjustment of annuities payable from the civil service retirement and disability fund; to the Committee on Post Office and Civil Service.

H.R. 10635. A bill to impose quotas on the importation of certain textile articles; to the Committee on Ways and Means.

By Mr. SCHWEIKER:

H.R. 10636. A bill to provide additional benefits for optometry officers of the uniformed services; to the Committee on Armed Services.

By Mr. SMITH of Oklahoma:

H.R. 10637. A bill to provide for the disposition of judgment funds now on deposit to the credit of the Cheyenne-Arapaho Tribes of Oklahoma; to the Committee on Interior and Insular Affairs.

By Mr. TEAGUE of Texas:

H.R. 10638. A bill to amend section 39-201 of the District of Columbia Code; to the Committee on Armed Services.

By Mr. McFALL:

H.R. 10639. A bill to amend title 38 of the United States Code in order to promote the care and treatment of veterans in State veterans' homes; to the Committee on Veterans' Affairs.

By Mr. MILLER of California:

H.R. 10640. A bill to exempt from the antitrust laws certain combinations and arrangements necessary for the survival of failing newspapers; to the Committee on the Judiciary.

By Mr. MULTER (for himself, Mr. ROONEY of New York, Mr. BINGHAM, Mr. CAREY, and Mr. WOLFF):

H.R. 10641. A bill to provide for a comprehensive program for the care and control of alcoholism; to the Committee on Interstate and Foreign Commerce.

By Mr. OLSEN:

H.R. 10642. A bill to amend an act approved May 23, 1908, relating to the disposition by the Secretary of Agriculture of moneys obtained from the sale of materials from national forests; to the Committee on Agriculture.

By Mr. PASSMAN:

H.R. 10643. A bill relating to the conservation of natural resources upon lands of the United States and amending certain provisions of the Outer Continental Shelf Lands Act and the Mineral Leasing Act; to the Committee on the Judiciary.

By Mr. PEPPER:

H.R. 10644. 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. POLLOCK:

H.R. 10645. A bill to authorize the appropriation of funds to carry out the activities of Federal Committees for Development Planning in Alaska; to the Committee on Interior and Insular Affairs.

By Mr. WAMPLER:

H.R. 10646. A bill to provide for the establishment and administration of the Allegheny-Cumberland Parkway in the States of Virginia, Kentucky, West Virginia, and Maryland, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WATSON:

H.R. 10647. A bill to protect the civilian employees of the executive branch of the U.S. Government in the enjoyment of their constitutional rights and to prevent unwarranted governmental invasions of their privacy; to the Committee on Post Office and Civil Service.

By Mr. ZWACH:

H.R. 10648. A bill to amend the Internal Revenue Code of 1954 to allow an incentive tax credit for a part of the cost of constructing or otherwise providing facilities for the control of water or air pollution, and to permit the amortization of such cost within a period of from 1 to 5 years; to the Committee on Ways and Means.

By Mr. CEDERBERG:

H.J. Res. 608. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. GONZALEZ:

H.J. Res. 609 Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. WINN:

H.J. Res. 610. Joint resolution proposing an amendment to the Constitution of the United States providing for representation in the Congress for the district constituting the seat of government of the United States; to the Committee on the Judiciary.

By Mr. DINGELL (for himself, Mr. Moss, and Mr. ADAMS):

H.J. Res. 611. Resolution to provide for the settlement of the labor dispute between certain carriers by railroad and certain of their employees; to the Committee on Interstate and Foreign Commerce.

By Mr. BROWN of California:

H.J. Res. 612. Joint resolution amending the Gulf of Tonkin resolution to provide for the adjudication by the International Court of Justice; to the Committee on Foreign Affairs.

MEMORIAL

Under clause 4 of rule XXII,

224. The Speaker presented a memorial of the Legislature of the State of Illinois, relative to increased appropriations for research and development in weather forecasting, which was referred to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BRASCO:

H.R. 10649. A bill for the relief of Jean Claude Sam; to the Committee on the Judiciary.

H.R. 10650. A bill for the relief of Francesco Ingrao; to the Committee on the Judiciary.

H.R. 10651. A bill for the relief of Pietro Filippazzo; to the Committee on the Judiciary.

By Mr. HANNA:

H.R. 10652. A bill for the relief of Yip Shing Butt, his wife, Kum Wah Chan Butt, and their minor daughter, Siu Wah Butt; to the Committee on the Judiciary.

By Mr. KING of New York:

H.R. 10653. A bill for the relief of Gee Pui Shung; to the Committee on the Judiciary.

By Mr. KUPFERMAN:

H.R. 10654. A bill for the relief of Violetta Guanco; to the Committee on the Judiciary.

By Mr. McDONALD of Michigan:

H.R. 10655. A bill for the relief of Arthur Anderson; to the Committee on the Judiciary.

By Mr. MAILLIARD:

H.R. 10656. A bill for the relief of Mrs. Aya H. Gray; to the Committee on the Judiciary.

By Mr. O'NEILL of Massachusetts:

H.R. 10657. A bill for the relief of Michele D'Aleo; to the Committee on the Judiciary.

H.R. 10658. A bill for the relief of Gianiale and Anna Russo; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

99. By the SPEAKER: Petition of New York State Federation of Women's Clubs, Schenectady, N.Y., relative to unnecessary Federal spending; to the Committee on Appropriations.

100. By Mr. UTT: Petition of Lester M. Andrew, Tristin, Calif., and others, relative to establishment of a Support Our Servicemen Week; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Edwin Carl Ekstrom of Corpus Christi, Tex.

EXTENSION OF REMARKS

OF

HON. JOHN YOUNG

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1967

Mr. YOUNG. Mr. Speaker, I would like to call attention today and to pay tribute to a man who was the founder of the Greyhound Bus Co., and could literally be called the father of our modern bus transportation system, Mr. Edwin Carl Ekstrom of Corpus Christi, Tex.

"Mr. Ed," as he was affectionately known to his friends, was born in Ludington, Mich., on March 19, 1889, and died in Corpus Christi, Tex., on May 8, 1967. During that span of 78 years his life was distinguished by remarkable achievements and personal greatness. He was a quiet man; he shunned publicity, devoting his energies to making himself expert in the business he loved and helped create. A partial chronicle of the greatness and achievements of Ed Ekstrom would take more space than is possibly available. Suffice it to say that he was truly an outstanding man representing a great business: as a man of fine character and an outstanding American, he set an example in the transportation industry that will not soon be surpassed. His dedication, his tenacity and his determination was source of inspiration to all who knew him. The world is a better place for his having lived. This, indeed, is the richest legacy that any of us could hope to leave.

Mr. Ed was born the son of Swede-Finns who emigrated from Finland in the early 1880's and settled in Ludington, Mich., later moving to Hibbing, Minn., where he completed his grammar school education in 1901. Due to dire circumstances, it was necessary that he should work to help support his family, so during the next 2 years he was employed as a tallyboy in an underground mine, located about 3 miles from Hibbing, then was transferred to their office as a supply clerk. He worked as a bookkeeper and accountant in Hibbing where he became acquainted with the men who later developed jitney service into transcontinental bus service. Ekstrom kept books for these jitney drivers who hauled ore from town to town in the Minnesota ore fields. When one of the original six jitney drivers died in 1917, Ekstrom bought into the company which at that time was