grant, OEO has recognized the need to act quickly before many more inevitably follow, cast adrift into city slums. Members of SWAFCA have already identified 300 families who are at the point of being forced off their land.

Mr. Speaker, the OEO has been meticulous in its processing of this grant. In not the slightest sense is it an impulsive giveaway. The SWAFCA proposal was submitted to the OEO 5 months ago and received intensive profesisonal evaluation and development. The program will not duplicate existing services. On the contrary, the Department of Agriculture has indicated that it simply does not have sufficient resources to undertake a project of this magnitude and complexity but has pledged to the program its support and assistance in every way possible.

The proposed budget has been gone over with a fine-tooth comb and pared, line by line, by a little over $100,000 from the original request.

Because of local personal attacks on the backgrounds of certain members of SWAFCA's board of directors, the backgrounds of all board members have been checked. No subversive or objectionable information has been discovered by any of these checks.

Finally, although the membership of SWAFCA will undoubtedly be predominantly Negro, a special condition to the grant specifies that low-income white farmers will be eligible to become members and to participate fully in SWAFCA's activities.

It is commendable, Mr. Speaker, that OEO went to such great lengths in taking these precautions. But it is vital that the needs of people like the farmers in SWAFCA receive imaginative and comprehensive support. This poverty has implications which extend far beyond the confines of the 10 black belt Alabama counties. Mr. Speaker, OEO's willingness to come to grips with these implications has been dramatically shown by the approval of the SWAFCA grant, addressing itself to fundamental issues that are vital to the development of genuine economic opportunities for the poor.

Kiwanis International Trustee

EXTENSION OF REMARKS
OF
HON. JOHN C. WATTS
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 13, 1967

Mr. WATTS. Mr. Speaker, I should like to call attention to one of Kentucky's outstanding and dynamic sons—Ted R. Osborn—who has recently been elected for a 2-year term as a Kiwanis International trustee. Mr. Osborn has been a Kiwanian for 13 years, belonging to the Blue Grass Kiwanis Club in Lexington, Ky. At the moment he is both the chairman of the committee on programs for his club and secretary for his district. In the past Mr. Osborn served as president in 1958 for his club; director and chairman of the committee on key clubs. While for his district, he served as lieutenant governor, governor, secretary from August 1964, and chairman of committees on achievement; golden anniversary—2 years; new club building; and past district governors. In the Kiwanis International he was both chairman and member of the committee on attendance and membership.

By profession, Mr. Osborn is a land developer and president of the American Businessmen's Life Insurance Co. His training and education was received at Transylvania College, in Lexington, where he received his A.B. degree.

At the age of 40, Mr. Osborn and his wife, Della, have four children—Zan, 12; Ted, 10; Holly, 5; and Lee Adams, 1. While not only as a busy father, Mr. Osborn is a very active participant in civil affairs.

Throughout the years, he has served both city and State widely. For the city of Lexington he has acted as chairman of the city, county civil defense and chairman of the airport zoning board of appeals. For his State of Kentucky Mr. Osborn has served in dedication two vice chairman of the State Commission terms in Kentucky Legislature and as on higher education. He has also been past president for the Lexington Sub-Dividers Association.

While some may wonder where such time may be found, Mr. Osborn's activities certainly do not stop here. As a member of various other clubs and organizations he has also participated very actively in all of them as well. Such are: President of the Lexington Junior Achievement; member of the national junior achievement board; regional board member of the Boy Scouts; vice president of the YMCA; president of the Community Recreation Association; president of the President's Civic Roundtable; president of the West End Foundation, which is active in the promotion of free school lunches; past county chairman of the United Community Fund; past State chairman of the Easter Seals campaign; past president of the Transylvania College National Alumni Association; past president of Y Men's Club; and past board member of Big Brother's.

There is little need to ask what benefit and service Mr. Osborn can be to the Kiwanis International trustee. It can easily be seen that his sound and stable judgment gathered through many years of work and dedication will be of great avail to anyone's interests that he might serve—and especially to that of the Kiwanis Club. Genial and versatile, Mr. Osborn again will prove his ability as an able organizer and inspiring leader as a member on the international board of trustees.

SENATE

MONDAY, JULY 17, 1967

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

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

O Thou God of life and light, whose love is unfailing and in whose mercy there is a wideness like the wideness of the sea.

At this wayside shrine of prayer set up so long ago by those who launched our ship of state and hallowed across the long years, we lift up our souls unto thee.

We come unto our Father's God
Their rock is our salvation
The eternal arms their dear abode
We make our habitation
We seek Thee as Thy saints have sought
In every generation.

In this forum of deliberation and debate, amid the din and clash of differing opinions, may we here unite in keeping always a constant sense of the eternal which will save us from spiritual decay, from moral cowardice, and from any betrayal of the highest public good.

In the Redeemer's name. Amen.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H.R. 10595) to prohibit certain banks and savings and loan associations from fostering or participating in gambling activities, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 10595) to prohibit certain banks and savings and loan associations from fostering or participating in gambling activities, was read twice by its title and referred to the Committee on Banking and Currency.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. McCLELLAN, from the Committee on the Judiciary:

Simon F. McHugh, Jr., of the District of Columbia, to be a member of the Subversive Activities Control Board.

By Mr. JACKSON, from the Committee on Interior and Insular Affairs:

David Statler Black, of Washington, to be Under Secretary of the Interior.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 13, 1967, was dispensed with.

LIMITATION OF STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

On request of Mr. MANSFIELD, and by unanimous consent, statements dur-

ing the morning hour were ordered limited to 3 minutes.

REQUEST FOR SUBCOMMITTEE TO MEET DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Subcommittee on Merchant Marine and Fisheries of the Committee on Commerce be permitted to meet during the session of the Senate today.

Mr. DIRKSEN. Mr. President, reserving the right to object, in view of the nature of the business that will come before the Senate this afternoon, it occurs to me that all Senators should be present; and, reluctant as I am to object, I must and I do object.

Mr. MANSFIELD. Mr. President, I join the minority leader in that respect. There will be no allowances made for any committees to meet after the conclusion of morning business today.

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of measures on the calendar, beginning with Calendar No. 382 and the succeeding measures in sequence.

The PRESIDING OFFICER (Mr. HARTKE in the chair). Without objection, it is so ordered.

AMENDMENT OF THE FEDERAL VOTING ASSISTANCE ACT OF 1955

The Senate proceeded to consider the bill (S. 1581) to amend the Federal Voting Assistance Act of 1955 which had been reported from the Committee on Rules and Administration with an amendment on page 4, after the sixth line following line 2 to insert: "For those assigned elsewhere:". So as to make the bill read:

S. 1581

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Voting Assistance Act of 1955 (69 Stat. 584) is amended as follows:

(1) Clause (10) of section 102 is amended to read as follows:

"(10) for the purposes of this Act, authorize oaths required by State law to be administered and attested by any commissioned officer in the active service of the Armed Forces, any member of the merchant marine of the United States designated for this purpose by the Secretary of Commerce, the head of any department or agency of the United States, any civilian official empowered by State or Federal law to administer oaths, or any civilian employee designated by the head of any department or agency of the United States."

(2) The following new section is inserted after section 103:

"SEC. 104. It is recommended that each of the several States permit any person covered by section 101(1) of this Act who is otherwise fully qualified to register and vote in the State to acquire legal residence in that State, notwithstanding his residence on a military installation, and to register and vote in local, State, and national elections."

(3) Clauses (1) and (2) of section 203 are amended to read as follows:

"(1) The Secretary of Defense to designate a day in the latter part of September before any general election in November as 'Armed Forces Voters Day' and to insure that every component of the Department of Defense exerts every effort to make that day a success;

"(2) the Administrator of General Services to cause to be printed and distributed post cards for use in accordance with the provisions of this Act. Such post cards shall be delivered by the department or agency concerned to persons to whom this Act is applicable for use at any general election at which electors for President and Vice President or Senators and Representatives are to be voted for. For use in such elections, post cards shall be in the hands of the persons concerned not later than August 15 before the election if they are outside the territorial limits of the United States and not later than September 15 before the election if they are inside the territorial limits of the United States. To the extent practicable and compatible with other operations, post cards shall also be made available at appropriate times to such persons for use in other general, primary, and special elections; and".

(4) Clause (b) of section 204 is amended by amending item (5) of the Federal post card application to read as follows:

"(5) For ____ years preceding the above election my home (not military) residence in the above State has been _____ in the county or parish of
(Street and number or rural route, etc.)
_____. The voting precinct or election district for this residence is _____."
(Enter if known)

(5) Clause (b) of section 204 is amended by amending item (7) of the Federal post card ballot to read as follows:

"(7) Mail my ballot to the following official address:
For those assigned in the U.S.:
_____
(Unit (Co., Sq., Trp., Bn., etc.), Govt. Agency, or Office)
_____
(Military Base, Station, Camp, Fort, Ship, Airfield, etc.)
_____
For those assigned elsewhere:
_____"
(APO or FPO number)

(6) Clause (c) of section 204 is amended to read as follows:

"(c) Upon the other side of the card there shall be printed in red type the following:

FILL OUT BOTH SIDES OF THE CARD

_____
_____
_____
_____
_____

FREE of U.S. Postage
Including Air Mail

Official
Mailing
Address

OFFICIAL ELECTION BALLOTING MATERIAL—VIA AIR MAIL

To: _____
(Title of Election Official)
_____
(County or Township)
_____
(City or Town, State)

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 397), explaining the purposes of the bill.

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

REPORT OF THE SUBCOMMITTEE ON PRIVILEGES AND ELECTIONS ON S. 1581, A BILL TO AMEND THE FEDERAL VOTING ASSISTANCE ACT OF 1955 (69 STAT. 584)

S. 1581 would amend the Federal Voting Assistance Act of 1955 by incorporating modifications and improvements to achieve greater effectiveness in absentee voting by members of the Armed Forces and certain other groups and individuals.

NATURE AND EFFECT OF THE FEDERAL VOTING ASSISTANCE ACT OF 1955

The Federal Voting Assistance Act of 1955, effective as of August 9, 1955, was a recommendation by the Congress to the several States that legislative or administrative action be taken to enable every person in any of the following categories, absent from the place of his voting residence—
to vote by absentee ballot in any primary, special, or general election held in his election district or precinct if he were otherwise eligible to vote in that election:

(1) Members of the Armed Forces while in the active service, and their spouses and dependents.

(2) Members of the merchant marine of the United States, and their spouses and dependents.

(3) Civilian employees of the United States in all categories serving outside the territorial limits of the several States of the United States and the District of Columbia, and their spouses and dependents when residing with or accompanying, whether or not the employee is subject to the civil service laws and the Classification Act of 1949, and whether or not paid from funds appropriated by the Congress.

(4) Members of religious groups or welfare agencies assisting members of the Armed Forces, who are officially attached to and serving with the Armed Forces, and their spouses and dependents.

The act further recommended to the several States the adoption of certain balloting procedures in order to effectuate its purposes, and authorized the President of the United States and the heads of certain departments

and agencies of the Federal Government to coordinate and facilitate such actions as might be required to discharge Federal responsibilities under the act.

Enthusiastic and public spirited support given by the States in adopting and implementing the act has resulted in the continued enjoyment of the voting franchise by American citizens, who, through no fault of their own and while serving their country, would have suffered the loss of the privilege by virtue of being absent from their States of residence.

PURPOSE OF S. 1581

The Department of Defense, having general authority to coordinate and facilitate Federal responsibilities under the act, as designated by the President, has noted the excellent response to the recommendations made by the Congress, but has found some areas where additional action by the States would guarantee still greater opportunity for members of the Armed Forces and others to cast their votes by absentee ballot.

S. 1581 amends the act so as to perfect certain ballot procedures which, administratively, are already in effect, and simplifies the methods by which ballots reach the absentee voters and, in turn, are executed by the voter.

The title was amended, so as to read: "A bill to amend the Federal Voting Assistance Act of 1955 (69 Stat. 584)".

Mr. CANNON. Mr. President, I am delighted that the Senate has given its unanimous approval to my bill, S. 1581, which seeks to assist members of the Armed Forces, their dependents, and others accompanying them overseas in the exercise of their voting franchise.

This long-needed improvement of the Federal Voting Assistance Act of 1955 would facilitate absentee voting by members of the Armed Forces and their dependents.

This bill provides for the taking of an oath for voting purposes by any civilian employee designated by the head of any department or agency of the United States serving overseas or elsewhere outside the United States.

It is my firm hope and belief that the various States will see fit to adopt this recommendation of the Congress. This measure would enable qualified citizens to vote who reside on military reservations in any State.

A most important and added feature of this legislation is to name a day in the latter part of September in a general election year as "Armed Forces Voters Day." The bill also would authorize changes in the Federal post card form which would facilitate absentee voting.

AUTHORIZATION OF FUNDS FOR THE COMMITTEE ON APPROPRIATIONS

The resolution (S. Res. 137) to provide additional funds for the Committee on Appropriations was considered and agreed to, as follows:

S. RES. 137

Resolved, That the Committee on Appropriations hereby is authorized to expend from the contingent fund of the Senate, during the Ninetieth Congress, $35,000, in addition to the amounts, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946.

AUTHORIZATION OF ADDITIONAL FUNDS FOR THE COMMITTEE ON LABOR AND PUBLIC WELFARE

The resolution (S. Res. 141) authorizing additional committee funds for the Committee on Labor and Public Welfare was considered and agreed to, as follows:

S. RES. 141

Resolved, That the Committee on Labor and Public Welfare is hereby authorized to expend from the contingent fund of the Senate, during the Ninetieth Congress, $25,000 in addition to the amount, and for the same purpose, specified in section 134(a) of the Legislative Reorganization Act approved August 2, 1946.

ANNUAL REPORT OF THE NATIONAL FOREST RESERVATION COMMISSION

The resolution (S. Res. 140) to print as a Senate document the annual report of the National Forest Reservation Commission was considered and agreed to, as follows:

S. RES. 140

Resolved, That the annual report of the National Forest Reservation Commission for the fiscal year ended June 30, 1966, be printed with an illustration as a Senate document.

PRINTING AS HOUSE DOCUMENT CERTAIN MAPS AND INDICIA RELATING TO VIETNAM AND THE ASIAN CONTINENT

The concurrent resolution (H. Con. Res. 253) providing for the printing as a House document of certain maps and indicia relating to Vietnam and the Asian Continent was considered and agreed to.

OUR FLAG

The concurrent resolution (H. Con. Res. 346) to authorize the printing as a House document the pamphlet entitled "Our Flag" was considered and agreed to.

PRINTING FOR THE COMMITTEE ON VETERANS' AFFAIRS

The concurrent resolution (H. Con. Res. 348) authorizing certain printing for the Committee on Veterans' Affairs was considered and agreed to.

PRINTING FOR THE SELECT COMMITTEE ON SMALL BUSINESS

The concurrent resolution (H. Con. Res. 369) authorizing certain printing for the Select Committee on Small Business of the House of Representatives was considered and agreed to.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination reported earlier today.

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

SUBVERSIVE ACTIVITIES CONTROL BOARD

The legislative clerk read the nomination of Simon F. McHugh, Jr., of the District of Columbia, to be a member of the Subversive Activities Control Board.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

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

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

LEGISLATIVE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Senate resumed the consideration of legislative business.

RURAL WATER FACILITIES—PRINTING OF ADDITIONAL COPIES OF BILL

Mr. AIKEN. Mr. President, on April 13 of this year, the senior Senator from Montana [Mr. MANSFIELD] and I introduced S. 1504, a bill to amend the Consolidated Farmers Home Administration Act of 1961, as amended, to provide for loans to supplement farm income, authorize loans and grants for community centers, remove the annual ceiling on insured loans, increase the amount of unsold insured loans that may be made out of the fund, raise the aggregate annual limits on grants, establish a flexible loan interest rate, and for other purposes. This bill is really intended to supplement the Rural Water Facilities Act which was passed in 1965.

Soon after the introduction of S. 1504, I read into the RECORD the names of 13 additional Senators who desired to cosponsor the proposed legislation. Since that time, the number of Senators who desire to be cosponsors has increased rapidly, and I will read the entire list at this time. Besides Senator MANSFIELD and myself, the list includes the following: Messrs. ALLOTT, ANDERSON, BAKER, BARTLETT, BAYH, BENNETT, BIBLE, BREWSTER, BROOKE, BURDICK, BYRD of West Virginia, CANNON, CARLSON, CASE, CHURCH, CLARK, COOPER, COTTON, CURTIS, DIRKSEN, DODD, DOMINICK, EASTLAND, ELLENDER, ERVIN, FANNIN, FONG, FULBRIGHT, GRUENING, HANSEN, HARRIS, HART, HARTKE, HATFIELD, HAYDEN, HICKENLOOPER, HILL, HOLLINGS, HRUSKA, INOUYE, JACKSON, JAVITS, JORDAN of North Carolina, JORDAN of Idaho, KENNEDY of Massachusetts, KENNEDY of New York, KUCHEL, LAUSCHE, LONG of Missouri, LONG of Louisiana, MAGNUSON, MCCARTHY, MCCLELLAN, MCGEE, MCGOVERN, MCINTYRE, METCALF, MILLER, MONDALE, MONRONEY, MONTOYA, MORSE, MOSS, MUNDT, MURPHY, MUSKIE, NELSON, PASTORE, PEARSON, PELL, PERCY, PROUTY, PROXMIRE, RANDOLPH, RIBICOFF, SCOTT, SMATHERS, Mrs. SMITH, Messrs. SPARKMAN, SPONG, STENNIS, SYMINGTON, TALMADGE, THURMOND, TOWER, TYDINGS, WILLIAMS of New Jersey, WILLIAMS of Delaware, YARBOROUGH, YOUNG of North Dakota, and YOUNG of Ohio.

I might say that of the seven Senators who are not cosponsors, some have indicated their intention of supporting the proposed legislation.

I understand that the supply of the original printing of S. 1504 is practically exhausted and that a new printing is necessary. Therefore, I ask unanimous consent that a new printing be made including the names of all 93 cosponsors of the proposed legislation.

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

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

Mr. AIKEN. I yield.

Mr. MANSFIELD. Will the Senator state again just how many cosponsors there are to the Aiken bill?

Mr. AIKEN. To this bill, there are 93. Therefore, it appears that any possession goes out of AIKEN'S hands and into the hands of 93 Members of this body, which is the same number of cosponsors that the original Rural Water Facilities Act of 1965 had.

Mr. MANSFIELD. The Senator anticipated my question, because I was going to refer to the Aiken bill of 2 years ago, which had an identical number of cosponsors; and I am sure that the Budget Bureau, the administration, and the Senator will look upon this bill with favor.

Mr. AIKEN. The Budget Bureau did not follow the same track that it followed 2 years ago, when it opposed the proposed legislation. The administration has recommended some rather minor, mild amendments to the pending bill, but the success of the original act has been little short of astounding.

I see the Senator from California in the Chamber. I believe that his State now has 119 applications pending for rural water programs. There are over 4,200 applications from all 50 States.

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

Mr. AIKEN. I yield.

Mr. KUCHEL. Mr. President, I wish to recall that when the President was here many months ago for a luncheon with Senators, the President congratulated Senator AIKEN on this legislation and chided the Bureau of the Budget for its opposition.

Mr. AIKEN. He was a very effective ally in getting the legislation passed and I trust he will be equally effective in getting early approval of the supplemental legislation provided by S. 1504.

Mr. KUCHEL. He was in a position to be helpful.

Mr. AIKEN. I believe the State of Texas as well as Mississippi now has some over 300 applications pending.

We hope, and I believe, he will have the same enthusiasm for this supplemental legislation that he had for the original bill 2 years ago.

ENROLLED BILL SIGNED DURING ADJOURNMENT

Under authority of the order of the Senate of July 13, 1967,

The VICE PRESIDENT announced that on July 14, 1967, he signed the enrolled bill (H.R. 10918) to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes, which had previously been signed by the Speaker of the House of Representatives.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of July 13, 1967,

Mr. MUSKIE, from the Committee on Public Works, reported favorably, with amendments, on July 15, 1967, the bill (S. 780) to amend the Clean Air Act to improve and expand the authority to conduct or assist research relating to air pollutants, to assist in the establishment of regional air quality commissions, to authorize establishment of standards applicable to emissions from establishments engaged in certain types of industry, to assist in establishment and maintenance of State programs for annual inspections of automobile emission control devices, and for other purposes, and submitted a report (No. 403) thereon, which was printed.

EXECUTIVE COMMUNICATIONS, ETC.

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

PROPOSED FACILITIES TO BE UNDERTAKEN FOR AIR NATIONAL GUARD

A letter from the Deputy Assistant Secretary of Defense (Properties and Installations), reporting, pursuant to law, on proposed facilities to be undertaken for the Air National Guard (with accompanying papers); to the Committee on Armed Services.

REPORT ON DEPARTMENT OF DEFENSE PROCUREMENT FROM SMALL AND OTHER BUSINESS FIRMS

A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting, pursuant to law, a report on Department of Defense procurement from small and other business firms, for the period July 1966–May 1967 (with an accompanying report); to the Committee on Banking and Currency.

AMENDMENT OF DISTRICT OF COLUMBIA PUBLIC EDUCATION ACT

A letter from the Chairman, U.S. Civil Service Commission, Washington, D.C., transmitting a draft of proposed legislation to amend the District of Columbia Public Education Act (with accompanying papers); to the Committee on the District of Columbia.

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

A resolution of the Senate of the State of Ohio; to the Committee on Finance:

"OHIO SENATE RESOLUTION

"To memorialize the Congress of the United States to take action to provide the domestic steel industry with temporary relief from the increasing inflow of foreign steel imports until equitable and fair competition is established

"Whereas, The members of the Senate of the 107th General Assembly of Ohio note, with concern, that imports of foreign steel have increased from more than one million tons in 1957 to eleven million tons in 1966; and

"Whereas, In 1966 these imports accounted for eleven per cent of the total domestic steel market; and

"Whereas, The current world excess steel-producing capacity of approximately seventy-five million tons and projected facility additions for Western Europe and Japan indicate that imports will account for an increasingly greater share of the domestic steel market in the years to come; and

"Whereas, The current high level of importation is largely due to the many actions of foreign governments to encourage their steel industries to export, coupled with the significantly lower employment costs in those countries; and

"Whereas, If present trends continue, the loss of volume caused by the rapidly increasing imports will pose a serious threat to the profitability of the steel industry; and

"Whereas, A healthy domestic steel industry is vital to our national security, is instrumental in maintaining a high level of employment in Ohio and other steel-producing states, and is a significant factor in stemming the drain on the United States balance of payments; therefore be it

"Resolved, That the members of the Senate of the 107th General Assembly of Ohio strongly urge the Congress of the United States to immediately take all of the necessary steps to provide the domestic steel industry with temporary relief from the increasing inflow of foreign steel imports until equitable and fair competition is established; and be it further

"Resolved, That the Clerk of the Senate transmit authenticated copies of this Resolution to the Speaker of the House of Representatives of the United States, the Vice-President of the United States, and to each Senator and Representative from Ohio in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Interior and Insular Affairs:

"SENATE JOINT RESOLUTION 26

"Relative to mining deposits on public lands

"WHEREAS, The term 'common varieties' as contained in the Act of Congress of July 23, 1955 (69 Stat. 368), also commonly known as Public Law 167 and as the Common Varieties Act, has been misunderstood and is vague and uncertain and has misled large numbers of persons and firms engaged in good faith in prospecting and mining upon the public domain; and

"WHEREAS, The Committee on Interior and Insular Affairs of the Senate of the United States, as stated in its Report No. 1608 dated September 19, 1966, to the 89th Congress, 2nd Session, found that the act had not been interpreted or administered in accordance with the congressional intent, had given rise to many abuses, was imposing inequitable hardship on bona fide mining men, and because of uncertainty as to just what the administrative agencies would determine to be a common variety, was seriously impeding the development of the mineral resources of the public domain; and

"WHEREAS, Many persons and firms in the State of California are engaged in mining upon the public domain and are or can easily be subject to the inequitable hardship mentioned by the Senate Committee; now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to take such action as may be necessary to clarify the intent of the Congress in enacting Section 3 of the Act of July 23, 1955 (69 Stat. 368),

also commonly known as the Common Varieties Act; and be it further

"*Resolved*, That the Secretary of the Senate be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A resolution adopted by the American Federation of Musicians of the United States and Canada, AFL–CIO, praying for the enactment of the Public Television Act of 1967; to the Committee on Commerce.

A resolution adopted by the American Federation of Musicians of the United States and Canada, AFL–CIO, praying for the enactment of legislation to amend the copyright laws; to the Committee on the Judiciary.

RESOLUTION OF LEGISLATIVE ASSEMBLY OF THE STATE OF OREGON

Mr. HATFIELD. Mr. President, I present, for appropriate reference, a resolution adopted by the Legislative Assembly of the State of Oregon. I ask unanimous consent that the resolution be printed in the RECORD.

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

The resolution was referred to the Committee on Commerce, as follows:

SENATE JOINT MEMORIAL 9

To the Honorable Senate and House of Representatives of the United States of America, in Congress Assembled, the Secretary of the Interior and the President of the United States

We, your memorialists, the Fifty-fourth Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas the importance and nutritional value of fish and shellfish in the world (fish protein concentrate) and the American diet are becoming increasingly more important as a protein resource; and

Whereas our federal agencies involved have found on three occasions since 1953–54 that our domestic trawl fish industry was being hurt or injured by importations, and yet executive administrative action has not been forthcoming to provide this needed protection; and

Whereas the United States domestic fishery production has decreased and diminished consistently since 1954 to the point of having dropped in world production from second place to fifth place (1964) with Norway overtaking the United States in 1966; and

Whereas the domestic fishing industry, having been severely criticized for not having upgraded itself has found so doing impossible as long as any and all foreign nations can so conveniently ship fishery products into the United States; and

Whereas the United States production of these species in 1966 was only 19.2 percent of the total United States supply and that from imports was 80.8 percent (U.S.D.I. Bureau of Commercial Fisheries Annual Summary, "Packaged Fishery Products—1966," C.F.S. No. 4343); and

Whereas foreign fishing on our coasts and importations are one and the same problem, and are destroying the domestic trawl industry; and

Whereas the processing plants of Oregon are limiting the landings of otter trawled seafoods due to the heavy and steadily increasing imports of similar species; now, therefore,

Be It Resolved by the Legislative Assembly of the State of Oregon:

(1) The Congress of the United States is memorialized to take appropriate action to ensure and provide a sound and healthy domestic trawl fishery through quota protection on such imported products.

(2) A copy of this memorial shall be transmitted to the President of the United States, to the Secretary of the Interior and to each member of the Oregon Congressional Delegation.

BILLS INTRODUCED

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

By Mr. RIBICOFF (for himself, Mr. BREWSTER, Mr. BROOKE, Mr. CHURCH, Mr. CLARK, Mr. ERVIN, Mr. FONG, Mr. GRUENING, Mr. HARRIS, Mr. INOUYE, Mr. JAVITS, Mr. KENNEDY of New York, Mr. LONG of Missouri, Mr. MCCLELLAN, Mr. MCGEE, Mr. MCINTYRE, Mr. MILLER, Mr. MONTOYA, Mr. MOSS, Mr. PELL, and Mr. TYDINGS):

S. 2116. A bill to establish a commission to study the organization and management of the executive branch of the Government, and to recommend changes necessary or desirable in the interest of governmental efficiency and economy; to the Committee on Government Operations.

(See the remarks of Mr. RIBICOFF when he introduced the above bill, which appear under a separate heading.)

By Mr. FONG (for himself and Mr. INOUYE):

S. 2117. A bill to authorize Federal Housing Administration insurance on loans made for the purpose of purchasing fee simple titles from lessors, and to allow savings and loan associations to purchase such insured loans; to the Committee on Banking and Currency.

(See the remarks of Mr. FONG when he introduced the above bill, which appear under a separate heading.)

By Mr. DOMINICK:

S. 2118. A bill for the relief of Dr. Joseph E. Stapleton; to the Committee on the Judiciary.

By Mr. SMATHERS:

S. 2119. A bill for the relief of Dr. Octavio Suarez-Murias; and

S. 2120. A bill for the relief of Mr. Jose D. Neugart; to the Committee on the Judiciary.

By Mr. CHURCH (for himself and Mr. BIBLE):

S. 2121. A bill to extend the provisions of the act of October 23, 1962, relating to relief for occupants of certain unpatented mining claims; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. CHURCH when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON (for himself, Mr. BREWSTER, Mr. JACKSON, Mr. KENNEDY of Massachusetts, Mr. MCGEE, Mr. PELL, and Mr. RIBICOFF):

S. 2122. A bill to provide for scenic development and beautification of the Federal-aid highway systems; to the Committee on Public Works.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. NELSON (for himself, Mr. MONDALE, Mr. MCCARTHY, Mr. GRIFFIN, Mr. HART, Mr. HARTKE, Mr. BAYH, Mr. DIRKSEN, Mr. KENNEDY of New York, Mr. PROXMIRE, and Mr. PERCY):

S. 2123. A bill to provide for the control of the alewife and other fish and aquatic animals in the waters of the Great Lakes which affect adversely the ecological balance of the Great Lakes; to the Committee on Commerce.

(See the remarks of Mr. NELSON when he introduced the above bill, which appear under a separate heading.)

By Mr. MONDALE:

S. 2124. A bill to amend title II of the National Housing Act to provide home purchase assistance, and for other purposes; and

S. 2125. A bill to assist nonprofit sponsors of low- and moderate-income housing; to the Committee on Banking and Currency.

(See the remarks of Mr. MONDALE when he introduced the above bills, which appear under a separate heading.)

By Mr. COOPER:

S. 2126. A bill to amend the Food and Agriculture Act of 1965; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. COOPER when he introduced the above bill, which appear under a separate heading.)

By Mr. BAKER:

S. 2127. A bill to provide assistance to first processors of cotton who have suffered substantial losses because of the economic impact of cotton programs of the Department of Agriculture, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. BAKER when he introducted the above bill, which appear under a separate heading.)

By Mr. HARTKE:

S. 2128. A bill to repeal section 315 of the Communications Act of 1934 relating to the affording of equal time for use of broadcasting stations by candidates for public office; to the Committee on Commerce.

(See the remarks of Mr. HARTKE when he introduced the above bill, which appear under a separate heading.)

EXECUTIVE REORGANIZATION AND MANAGEMENT ACT OF 1967

Mr. RIBICOFF. Mr. President, I introduce, for appropriate reference, a bill to establish a Presidential Commission on the Reorganization and Management of the Executive Branch. I am joined in sponsoring the bill by the following 20 Senators: Senators BREWSTER, BROOKE, CHURCH, CLARK, ERVIN, FONG, GRUENING, HARRIS, INOUYE, JAVITS, KENNEDY of New York, LONG of Missouri, MCCLELLAN, MCGEE, MCINTYRE, MILLER, MONTOYA, MOSS, PELL, and TYDINGS.

America stands on the threshold of a new era in her national development. Although the exact nature of this change has not yet emerged, it will be shaped by the twin revolutions of our time—the revolution in technology and the revolution in human aspirations.

Both revolutions will touch every city, town, and farm in America, as well as each man, woman, and child. For we are, in the fullest sense of the words, both a nation and a community. Never before have Americans in so many different communities and different situations shared so many common concerns.

Clearly, then, we have a deep responsibility to organize for the future if America is to fulfill her promise. And the first step in such an effort is to reassess our highest institutions of government with a view toward organizing them into a modern and effective system for achieving our national goals and purposes.

We have done this from time to time with notable success. The time is now ripe to conduct such an inquiry again.

Today we face a modern version of the dilemma that Franklin Delano Roosevelt described when he said:

The principal object of every government all over the world seems to have been to impose the ideas of the last generation on the present one. That is all wrong.

In the America of the 1960's, new and fresh ideas are making their way into government. Our many new programs attest to this fact. But our efforts at improving the organizational framework in which these programs must operate have not kept pace. The result is that we are imposing the executive structure of the past generation on the ideas of the present one. And that, too, is all wrong.

This dilemma is an almost daily experience of any government, agency, or institution—public or private—that tries to make its way through the maze of Federal programs.

In an effort to respond to our many new problems, Washington has increased the size, number, and variety of its programs. For example:

Since 1955, the Federal budget has doubled. We will spend an estimated $135 billion in fiscal year 1968, compared with expenditures of $64 billion just 13 years ago.

Although much of the increase has occurred in defense, the largest rate of increase has been in programs affecting the everyday life of the individual citizen. Educational expenditures have increased from $377 million in fiscal 1955 to almost $3 billion in fiscal 1968. Spending for health, labor, and welfare has increased from $2 billion in 1955 to more than $11 billion in fiscal 1968.

Our Federal grant programs also have grown. As of January 1966, we had 162 major programs under 399 separate authorizations and categories. And the last session of Congress enacted 21 new health programs, 17 new educational programs, 15 new economic development programs, 12 new programs to meet the problems of our cities, 4 new programs for manpower training, and 17 new resource development programs.

Manpower programs alone have increased eightfold since 1961, but they are administered by 10 separate organizational units in three independent departments.

Programs to improve the natural environment are conducted by 18 separate agencies.

Thus, the net result of our efforts often is confusion, frustration, and delay. Good ideas have withered on the bureaucratic vine because we have not taken the time to clear out the underbrush. We have relied too heavily on the programmatic approach to solving our common problems and not enough on the systematic approach. We have spent too much time responding to crises and not enough time anticipating them. As a result, we have often acted in great haste—and with great waste.

The bill establishing a Commission on the Reorganization and Management of the Executive Branch addresses itself to this important problem.

The bill recognizes that the purpose of reorganization is to improve the quality of our Government; and that three distinct factors must be considered in any reorganization effort—goals, structure, and management. Thus, the Commission would be charged with three main functions:

First. Assessing the present and future goals of our country by reviewing our problems, resources, and capabilities.

Second. Making appropriate recommendations to improve the quality and structure of the executive branch and the quality of the coordination between and within executive agencies in order to attain those goals.

Third. Appraising the current status of administrative management with a view toward proposing reforms, new procedures and facilities to improve the conduct of Government services.

The bill is founded on the premise that executive organization and management are the legitimate concerns and responsibilities of both the President and the Congress. Accordingly, the bill would grant the President the power to appoint all nine members of the Commission, and would grant Congress the power to set the goals of the Commission. The bill would leave the Commission free to choose the methods it would use to accomplish its purposes.

The bill would not result in improper interference in the management of the executive branch or attempt to dictate the functions and activities the executive branch may engage in. Its primary purpose is to assist the President in carrying out his constitutional responsibility to coordinate and manage the executive branch in the most effective manner.

This legislative proposal is an outgrowth of issues raised during recent year-long hearings on the Federal role in urban affairs by the Subcommittee on Executive Reorganization of the Committee on Government Operations. In surveying the Federal activities designed to meet the problems described by more than 100 witnesses, the subcommittee learned that the city was far more than a geographic concept. It was a mirror of the American future. For this reason, I believe that the matter of reorganization must include more than the agencies and departments that have specific jurisdictions in urban areas. It must include our entire executive structure and all the problems it confronts.

We have made some major organizational changes in recent years. Three new agencies of Government have been established. There is the Office of Economic Opportunity, which is conducting the war on poverty; the Department of Housing and Urban Development, which is dealing with some problems of our cities both large and small; and the Department of Transportation, which has brought under one roof for the first time many of the Federal activities in this field.

Other agencies have experienced reorganization on a smaller scale. The Senate Subcommittee on Executive Reorganization has received more than a dozen reorganization plans resulting in changes in such important areas as water pollution and public health services.

Numerous executive branch commissions and task forces have reviewed important areas of our national life, and there have been specific proposals to establish other new departments. In addition, the Bureau of the Budget has instituted a planning-programing-budgeting system in order to bring together the functions of planning and budgeting.

But so far we have only looked at the parts. We have not carried this effort to the executive branch as a whole.

Mr. President, change is the largest single factor in American life today.

Our lives are strikingly different from those of our parents. And our children's lives will show an even greater contrast when compared with our own. Man's enormous curiosity about his environment and his capacity to master rather than submit to his fate has lighted hundreds of new horizons and increased the range of human freedom and opportunity.

Government must encourage and expand this freedom and opportunity. And a government that is organized in terms of our future needs and problems, a government that can anticipate and adjust to change without losing its traditional values, a government that can achieve systematic solutions to our common problems, is our best hope of guaranteeing this freedom and opportunity.

But let us also realize the limits of organization. It cannot replace the human factor—the individual judgment that often determines the success or failure of our programs and strategies. But the proper organization—one that takes into account goals, structure, and management—can provide a creative climate in which fresh ideas and concepts will prevail and dedicated individuals will seek to enter our public service. And this climate, by contributing to the quality and character of our Government, can be the basis of great achievements.

Mr. President, we would be wise to keep in mind some cogent thoughts written on the subject of improving the machinery of government which are very applicable:

Throughout our history we have paused now and then to see how well the spirit and purpose of our nation is working out in the machinery of everyday government with a view to making such modifications and improvements as prudence and the spirit of progress might suggest. Our Government was the first to set up in its formal Constitution a method of amendment, and the spirit of America has been from the beginning of our history the spirit of progressive changes to meet conditions shifting perhaps more rapidly here than elsewhere in the world.

Since the Civil War, as the tasks and responsibilities of our Government have grown with the growth of the Nation in sweep and power, some notable attempts have been made to keep our administrative system abreast of the new times. . . .

Now we face again the problem of governmental readjustment. . . . There is room for vast increase in our national productivity and there is much bitter wrong to set right in neglected ways of human life. There is need for improvement of our governmental machinery to meet new conditions and to make us ready for the problems just ahead.

Facing one of the most troubled periods in all the troubled history of mankind, we wish to set our affairs in the very best possible order to make the best use of all our national resources and to make good our democratic claims. If America fails, the hopes and dreams of democracy over all the world go down. We shall not fail in our task and our responsibility, but we cannot live upon our laurels alone. We seek modern types of

management in National Government best fitted for the stern situations we are bound to meet, both at home and elsewhere. . . .

The efficiency of government rests upon two factors: the consent of the governed and good management. In a democracy consent may be achieved readily, though not without some effort, as it is the cornerstone of the Constitution. Efficient management in a democracy is a factor of peculiar significance.

Administrative efficiency is not merely a matter of paper clips, time clocks, and standardized economies of motion. These are but minor gadgets. Real efficiency goes much deeper down. It must be built into the structure of a government just as it is built into a piece of machinery. . . .

In proceeding to the reorganization of the Government it is important to keep prominently before us the ends of reorganization. Too close a view of machinery must not cut off from sight the true purpose of efficient management. Economy is not the only objective, though reorganization is the first step to savings; the elimination of duplication and contradictory policies is not the only objective, though the new organization will be simple and symmetrical; higher salaries and better jobs are not the only objectives, though these are necessary; better business methods and fiscal controls are not the only objectives, though these too are demanded. There is but one grand purpose, namely, to make democracy work today in our National Government; that is, to make our Government an up-to-date, efficient and effective instrument for carrying out the will of the Nation.

This inspired statement of the role of proper executive management—with its striking implications for today—comes from the introduction to the Report of the President's Committee on Administrative Management which was submitted to the Congress by President Franklin D. Roosevelt, January 12, 1937.

Thirty years have passed since that statement was written. But we are still grappling with the same basic issues: How do we keep our Federal Government an alive, responsive instrument of national policy? How do we insure that it is organized effectively to deal with the Nation's needs.

The Commission on the Reorganization and Management of the Executive Branch would explore these issues in great depth.

I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

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

The bill (S. 2116) to establish a commission to study the organization and management of the executive branch of the Government, and to recommend changes necessary or desirable in the interest of governmental efficiency and economy, introduced by Mr. RIBICOFF (for himself and other Senators), was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

S. 2116

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That this Act may be cited as the "Executive Reorganization and Management Act of 1967".

FINDINGS OF FACT AND DECLARATION OF POLICY

SEC. 2. (a) The Congress finds that there are more than 150 departments, agencies, boards, commissions, bureaus, and other organizations in the Executive Branch engaged in performing the functions of Government; that such a proliferation of governmental units tends to produce a lack of coordination between them and overlapping, conflict and duplication of effort among them; that the President and the Congress need additional tools and procedures to exercise better supervision and direction over so large a number of governmental establishments; and that improved organizational structure and managerial techniques would permit the President to carry out more effectively the Constitutional mandate that he coordinate and manage the Executive Branch in accordance with the laws enacted by the Congress.

(b) The Congress declares that is the responsibility of the President, in conformance with policy set forth by Congress, to administer the executive branch effectively and economically, and that it is the joint responsibility of the President and the Congress to provide an executive organizational structure which will permit the efficient and economical discharge of the duties imposed upon the President by the Constitution.

COMMISSION ESTABLISHED

SEC. 3. (a) To assist the President in the discharge of his constitutional responsibilities, there is hereby established the Commission on the Reorganization and Management of the Executive Branch (referred to hereinafter as the "Commission"). The Commission shall be composed of nine members appointed by the President from persons holding office in Government and persons in private life who are specially qualified by training and experience to perform the duties of the Commission. The President shall designate a Chairman and a Vice Chairman of the Commission from its membership.

(b) Five members of the Commission shall constitute a quorum. A vacancy in the membership of the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(c) Members of the Commission appointed from private life shall receive compensation at the rate of $100 per diem when engaged in the actual performance of duties of the Commission. Members of the Commission who are Members of Congress or officers of the executive branch of the Government shall serve without compensation in addition to that received for their services as Members of Congress or officers of the executive branch. All members of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses actually incurred by them in the performance of the duties of the Commission.

(d) For the purposes of chapter 11, title 18, United States Code, a member of the Commission appointed from private life shall be deemed to be a special Government employee.

DUTIES OF THE COMMISSION

SEC. 4. (a) The Commission shall analyze and assess the present organization, coordination, and management of all departments, agencies, boards, commissions, bureaus, independent establishments, and other organizations in the executive branch to ascertain what modifications and innovations in their structure and administration are required to realize the purposes of this Act.

(b) It shall be the function of the Commission to—

(1) recommend appropriate reorganizations within the executive branch to reflect present and anticipated needs, capabilities and potentialities of the Government and the Nation;

(2) evaluate the extent and quality of coordination between and within organizations in the executive branch in order to propose measures to insure the maximum degree of cooperation and consistency in governmental action; and

(3) appraise the current status of administrative management in the executive branch with a view to proposing reforms and new procedures, techniques, and facilities which will improve the conduct of Government service.

(c) The Commission shall complete its study and investigation 18 months after the date of its appointment. Within 60 days after the completion of such study and investigation the Commission shall transmit to the President and to the Congress a report of its findings and recommendations. Upon the transmission of such report, the Commission shall cease to exist.

POWERS OF THE COMMISSION

SEC. 5. (a) The Commission shall have power to appoint and fix the compensation of an Executive Director and other personnel as it deems advisable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(b) The Commission may procure temporary and intermittent services of experts and consultants to the same extent as is authorized for the departments by section 3109 of title 5, United States Code, but at rates not to exceed $75 per diem for individuals.

(c) To carry out the provisions of this Act, the Commission or any duly authorized subcommittee or member thereof, may hold such hearings; act at such times and places; administer such oaths; and require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as the Commission or such subcommittee or member may deem advisable. Subpoenas may be issued under the signature of the Chairman of the Commission, the Chairman of any such subcommittee, or any duly designated member, and may be served by any person designated by such Chairman, or member. The provisions of section 102 to 104, inclusive, of the Revised Statutes (U.S.C. title 2, secs. 192–194), shall apply in the case of any failure of any witness to comply with any subpoena or to testify when summoned under authority of this section.

(d) To enter into contracts or other agreements with Federal agencies, private firms, institutions, and individuals for the conduct of research or surveys.

(e) Subject to the requirements of national security, the Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality, information, suggestions, estimates, and statistics for the purpose of this Act: and each such department, bureau, agency, board, commission, office, independent establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

APPROPRIATIONS

SEC. 6. There are hereby authorized to be appropriated to the Commission such sums as may be required to carry out the provisions of this Act.

Mr. PEARSON. Mr. President, I wish to commend my able colleague, the distinguished junior Senator from Connect-

icut, for his persuasive comments on the need for reform of administrative practices in the executive branch. As the Senator knows, I have long advocated such a step and am now the sponsor of a bill (S. 47) to establish a Commission on the Operation of the Executive Branch very similar to the one proposed today.

As my colleague convincingly observed, this decade has witnessed an infusion of new ideas and approaches into our Federal Government. It has also brought an unparalleled proliferation of new programs and a rapid expansion of old ones. The result, unfortunately, has too often been disorder, duplication, and delay.

As the Senator noted, today there are over 400 grant programs and component parts that are administered by more than 150 departments, agencies, and bureaus. In such a confusing welter, the need for coordination and consolidation is obvious. In fact, it is more than obvious, it is of the utmost urgency. For, while America is a wealthy country, it is faced at home and abroad with a number of immediate and expensive challenges. We simply can no longer afford the waste endemic in an unreviewed bureaucratic growth. Neither can we afford to further delay effective treatment of such pressing ills as slums housing, unemployment, and poverty. To do so would be to invite disaster.

The distinguished Senator from Connecticut also remarked on the recent organizational changes the executive branch has made in an attempt to bring order out of what is often chaos. As a former Secretary of Health, Education, and Welfare, he is unusually well qualified to comment on the strength and limitations of such reforms. I join with him in saying that while many of these reforms have wrought improvements, much more must be done. A thorough review of administrative practices and organizational structure is required. We have looked at bits and pieces for too long. It is time we examined the executive branch as a whole. This is the only way the interrelationship of the parts can be improved.

Mr. President, I also concur with the view that, while nothing can replace the value of individual initiative and insight, a sound organization structure is needed to provide the creative environment so necessary for flexible and responsive programs.

While both of us are agreed that a comprehensive review is the surest method of encouraging imaginative administrative practices, we differ somewhat on the mechanism of creating the study commission. For example, it is important that we specify that the Commission be completely bipartisan and include members from Congress, as well as members from the executive branch and private life. Only in this way can complete public confidence and support be assured. It is also advisable that interim reports be required in order to keep Congress fully informed and to insure that the data is properly collated.

But these differences are not as important as the common purpose which unites us. Forty-one other Senators have cosponsored my bill. I am sure others will support the proposal of the distinguished Senator from Connecticut. Thus, to use a popular phrase, a consensus is developing. Such a consensus augurs well for the implementation of new and revitalized administrative procedures that will breathe life into moribund programs and give the taxpayers full value for their dollar. And the promises of the past might yet become the reality of the future.

Mr. President, Friday, July 7, marked the 20th anniversary of the signing of the bill establishing the first Hoover Commission. Six years later the second Hoover Commission was created. Twelve long years have passed since that group submitted its report. The problems which led to its creation have not all been solved. Still others have arisen. Overlapping and wasteful programs still sap the strength of government efforts to improve the quality of American life. As my colleague from Connecticut observed, we are faced not with the need to create a rigid and timeless hierarchy, but with the need to insure that the executive branch will be a flexible and responsive instrument of national policy.

As Oliver Wendell Holmes once said:

> We must remember that the machinery of government would not work if it were not allowed a little play in its joints.

Mr. President, I commend the junior Senator from Connecticut for his concern and his determination to deal with one of the most pressing needs of American Government.

Mr. RIBICOFF. Mr. President, I appreciate the comments of the Senator from Kansas. This bill introduced by the Senator from Kansas with many cosponsors is also a step in the same direction that many of us are seeking to go, recognizing the great changes that must take place in the executive branch.

It is my intention to hold hearings on both the bill of the Senator from Kansas and my bill. It is my feeling that out of these hearings there will come a measure incorporating features of the proposal of the Senator from Kansas and my proposal.

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

FEDERAL HOUSING ADMINISTRATION INSURANCE ON LOANS

Mr. FONG. Mr. President, in Hawaii and in other States, some homeowners do not own fee-simple title to the land on which their homes are located. Instead, they own merely a long-term leasehold. This situation arises because in some cases the owners of the land were not willing to sell or the lessee did not wish to purchase the fee-simple title at the time the homes were constructed.

Leasing land to homeowners has been a prevailing practice in Hawaii where much of the land is owned by large estates. By a recently enacted law of the Hawaiian legislature, leaseholders will have an opportunity to purchase their leaseholds.

However, as much as the leaseholders desires to purchase the fee-simple title to the land on which they are leasing, they will find it difficult to finance the purchase. Unless they can pay cash for the purchase, it is necessary for them to either refinance their existing home mortgages or place second mortgages on the properties in order to obtain loans for this purpose.

Frequently, refinancing an existing mortgage results in increasing the interest paid on the mortgage. Or, refinancing can be even more expensive where the homeowner takes out a second mortgage. The interest rate on conventional second mortgages generally is much higher than on first mortgages. The increased expense makes it difficult for the homeowners to purchase from the lessors the fee-simple title.

To assist these homeowners, my distinguished colleague, the junior Senator from Hawaii [Mr. DANIEL K. INOUYE], and I introduce this bill which would add a new section 235 to the National Housing Act. The new section would authorize the Federal Housing Administration to insure loans made by private lending institutions to finance the purchase by homeowners of fee-simple title to property on which their homes are located.

Clearly, insurance of loans for the purchase of fee-simple title as proposed by the bill would provide a source of credit to homeowners at reasonable cost. It would also obviate the need for refinancing of an existing mortgage.

There are some limitations on a loan which could be insured under the provisions of the bill. First, it would be limited to an amount of not more than $10,000, or the cost of purchasing the fee-simple title, whichever is less. Second, it would be limited to an amount which, when added to any outstanding indebtednes related to the property, would create a total outstanding indebtedness that would not exceed the amount of an insured first mortgage which would be used to purchase the home if the entire property were being purchased. Third, the interest rate on a loan could not exceed a maximum of 6 percent of the unpaid principal or a rate prescribed by the Federal Housing Administration. Finally, the term of the loan could not be longer than 20 years.

In order to permit savings and loan associations to invest in the proposed FHA-insured loans for the purchase of fee-simple title, section 2 of the bill would amend section 5(c) of the Home Owners' Loan Act of 1933. Under the present law these associations are limited to the purchase of first-lien loans. The amendment in the bill would permit these lenders to purchase the FHA-insured loans authorized by the bill.

Mr. President, this bill is needed by homeowners on leased land. It is a meritorious measure and deserves speedy approval by this body.

I respectfully urge such action.

Mr. President, I ask unanimous consent that the full text of the bill be printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately re-

ferred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2117) to authorize Federal Housing Administration insurance on loans made for the purpose of purchasing fee simple titles from lessors, and to allow savings and loan associations to purchase such insured loans, introduced by Mr. FONG (for himself and Mr. INOUYE), was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

S. 2117

A bill to authorize Federal Housing Administration insurance on loans made for the purpose of purchasing fee simple titles from lessors, and to allow savings and loan associations to purchase such insured loans.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title II of the National Housing Act is amended by adding at the end thereof the following new section:

"PURCHASE OF FEE SIMPLE TITLE FROM LESSORS

"SEC. 235. (a) The Secretary is authorized, upon such terms and conditions as he may prescribe, to make commitments to insure and to insure loans made by financial institutions for the purpose of financing purchases by homeowners of the fee simple title to property on which their homes are located.

"(b) As used in this section—

"(1) the term 'financial institution' means a lender approved by the Secretary as eligible for insurance under section 2 or a mortgagee approved under section 203(b)(1); and

"(2) the term 'homeowner' means a lessee under a long-term ground lease.

"(c) To be eligible for insurance under this section, a loan shall—

"(1) relate to property on which there is located a dwelling designed principally for a one-, two-, three-, or four-family residence;

"(2) not exceed the cost of purchasing the fee simple title, or $10,000 per family unit, whichever is the lesser;

"(3) be limited to an amount which when added to any outstanding indebtedness related to the property (as determined by the Secretary) creates a total outstanding indebtedness which does not exceed the mortgage limits prescribed in section 203(b);

"(4) bear interest at not to exceed a rate prescribed by the Secretary, but not in excess of 6 per centum per annum of the amount of the principal obligation outstanding at any time and such other charges (including such service charge, appraisal, inspection, and other fees) as may be approved by the Secretary;

"(5) have a maturity satisfactory to the Secretary, but not to exceed twenty years from the beginning of amortization of the loan or three-quarters of the remaining economic life of the home, whichever is the lesser; and

"(6) comply with such other terms, conditions, and restrictions as the Secretary may prescribe.

"(d) The provisions of paragraphs (3), (5), (6), (7), (8), and (10) of section 220 (h) shall be applicable to loans insured under this section and, as applied to loans insured under this section, references in those paragraphs to 'home improvement loans' and 'this subsection' shall be construed to refer to loans insured under this section 235.".

SEC. 2. Section 5(c) of the Home Owners Loan Act of 1933 is amended by adding immediately before the last paragraph the following paragraph:

"Notwithstanding any other provisions of this subsection, an association may invest in loans or obligations, or interests therein, as to which the association has the benefit of insurance under section 235 of the National Housing Act, or of a commitment or agreement therefor, and such investments shall not be included in any percentage of assets or other percentage referred to in this subsection."

EXTENSION OF MINING CLAIMS OCCUPANCY ACT

Mr. CHURCH. Mr. President, I introduce, for appropriate reference, on behalf of myself and the distinguished senior Senator from Nevada [Mr. BIBLE], a bill to extend the act of October 23, 1962 (72 Stat. 1127), relating to the residential occupancy of unpatented mining claims.

Unless we extend it, Mr. President, the act will expire this October, and with it a method of relief for many individuals in the West who make their homes on unpatented mining claims. The act gives the Secretary of the Interior a full kit of legal tools and the discretion, when the public interest will not be injured, to permit persons who live on mining claims for residential purposes who were in possession at least 7 years prior to July 23, 1962, where this is a principal home for them, and their claim has been invalidated or relinquished, to continue to reside in their home.

It has been a tradition in the mountain West that a private citizen may go upon the public lands, to stake a mining claim, and thereafter to have and retain a possessory interest immune to interference from anyone. The power of the Government to challenge the validity of a mining claim has been recognized, but the Government traditionally has interfered little, and locators and their successors in interest have felt secure in their right to possession.

The act provides relief where it would be a hardship for these people to give up the homes they have constructed and improved over the years.

Because the Public Land Law Review Commission is making an extensive and thorough study of public land problems, the expiration date of the proposed extension is designated as 1 year after the Commission makes its final report. The report is due by December 31, 1968.

As chairman of the Senate Public Lands Subcommittee it is my intention to schedule hearings on the proposed amendment at an early date.

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

The bill (S. 2121) to extend the provisions of the act of October 23, 1962, relating to relief for occupants of certain unpatented mining claims, introduced by Mr. CHURCH (for himself and Mr. BIBLE), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

A BILL FOR SCENIC DEVELOPMENT AND BEAUTIFICATION OF THE INTERSTATE AND SCENIC HIGHWAY SYSTEM

Mr. MAGNUSON. Mr. President, I send to the desk, for appropriate reference, a bill to improve and simplify the Highway Beautification Act of 1965.

Mr. President, the 89th Congress enacted a bill to help make driving more relaxing, more enjoyable, and more safe. With this new law one would supposedly be free to enjoy the countryside unmarred by man's visual pollution of the scenery, and he would be able to see important informational aids without the need for a time-consuming, frustrating, and often dangerous search through a hodgepodge clutter of signs created for the very purpose of diverting the harried driver's attention. These are admirable goals and many Congressmen hoped these goals would be achieved by the 1965 act.

However, there has been extensive comment throughout the Nation that the 1935 law, which we all knew was not perfect, is indeed not workable. Up until a month ago, no State had yet signed an agreement with the Secretary of Transportation to implement the 1965 law—apparently two States have signed up in the last 2 weeks. This is indication enough that the law, in its present form, enjoys little support—it certainly has had little effect.

In 1961 in a special message to Congress, President Kennedy said:

> The Interstate Highway System was intended, among other purposes, to enable more Americans to more easily see more of their country. It is a beautiful country. The System was not intended to provide a large and unreimbursed measure of benefits to the billboard industry, whose structures tend to detract from both the beauty and the safety of the routes they line. Their messages are not, as so often claimed, primarily for the convenience of the motorist whose view they block. Some two-thirds of such advertising is for national products, and is dominated by a handful of large advertisers to whom the Interstate System has provided a great windfall.

The bill I introduce today is intended to improve and simplify the Highway Beautification Act of 1965. It would initially protect fewer miles than specified by the 1965 law, but is intended to protect them well and to provide a solid foundation and a high standard for the States to build upon to advance their own laws for scenic development and beautification of their roadsides. I believe this bill would provide the degree of roadside protection and scenic development and beautification that the public has been led to expect.

Earlier this session, I introduced S. 539 to remove the mandatory compensation feature of the 1965 law. The bill I introduce today takes advantage of the comments I have received concerning that bill as well as comments received about similar bills introduced in Congress.

Under the bill, the new 41,000-mile Interstate System, which will be completed in less than a decade at a cost of over $40 billion, will be fully protected. This is a new highway network, and because much of it is yet to be completed, the billboard and junkyard investment along its length is relatively minimal.

In addition, the bill provides that each State would designate 10 percent or more of its total mileage of primary and secondary highways as scenic roads. The

scenic road system would be protected in lieu of the entire Federal-aid primary system as contemplated by the 1965 law. This approach was chosen because most of the primary highways are several decades old and much of the roadsides are occupied by commercial strip developments, including extensive investments in both billboards and junkyards. The expense of relocating or removing billboards and junkyards along these roadsides will not, in many cases, really improve the roadsides since the other commercial developments would remain.

Mr. President, I believe we would all agree that each State is a better judge about which of its many miles are scenic than is Congress. Therefore, the bill provides that the States select highways which they consider the most scenic subject to some commonsense guidelines specified in the bill. Some States, particularly those well endowed by a bountiful nature, will undoubtedly designate considerably more mileage than the minimum called for by my bill. In this latter situation, the bill provides for a small bonus in Federal assistance for new construction.

The so-called superbillboard far removed from the roadway yet so large that they are visible to the traveler was not guarded against in the 1965 act. Because this type of billboard presents a problem of serious dimensions, it was decided to include a provision in the bill which provides Federal control where the State decides that such signs should be regulated.

Most of the States have authority, by virtue of their constitutions, to require the removal of billboards after a just amortization period without the necessity of restoring to eminent domain. The bill I have introduced today will allow the States to provide for effective control of the erection and maintenance of billboards along the Interstate System and the scenic road system by the method most suited to the laws of the particular State.

There is nothing new or radical to be found in this provision. Prior to the present act, some 25 States agreed to control billboards along Interstate Highways, the vast majority doing so through their police power. The present act provides a 10-percent loss of Federal aid for any greater use of the police power by these States, while other States are penalized for using such powers at all. In effect this section of the bill says that if the States compensate for removal, the billboards must be removed within 2 years after becoming nonconforming. If, however, the States choose not to pay compensation, the Federal Government will compensate the billboard owner by allowing the billboard to remain intact for 5 years after becoming nonconforming.

A major deterrent to effective implementation of the 1965 act will be the cost involved. The Secretary of Transportation has estimated that it will cost $558,610,000 to remove nonconforming billboards. These costs would be substantially reduced if States having the power to remove billboards without compensation were allowed to exercise that power. Another factor in costs which should not be overlooked here is the reduction in costs that would result by including only a portion of the secondary and primary systems in the act, as this bill would do. Although less mileage will be controlled, it will be more effective than at present.

In addition, this subsection will allow the States to avoid problems of discrimination arising under the present act. Difficulties result when a State, under its police powers, removes billboards from secondary highways without paying compensation, but is at the same time obliged under Federal law—or lose 10 percent of its Federal highway assistance—to compensate billboard owners for signs removed along interstate and primary roads. Suppose, for example, that a State decides to control billboards on highways not encompassed in the 1965 Federal act. The State may order removal without offering to compensate. Meanwhile billboard owners with displays on interstate highways must be compensated under the Federal act. The result is that two billboard owners in the same State receive different treatment. A serious question of equal protection arises. The State may find itself faced with an expensive lawsuit. The effect of the Federal law is to stifle and to inhibit the States in the exercise of their powers in the interest of public safety and welfare.

Much of the recent controversy over the interpretation of the 1965 act has centered around the interpretation of "customary use."

This bill would remove the provision in the 1965 law which requires that the Secretary of Transportation determine, by agreement with the several States, the size, lighting, and spacing of outdoor advertising signs in accordance with "customary use." The "customary use" requirement written into the 1965 beautification law is a contradiction in terms and an illusory goal. As I said in Congress on March 25, 1966:

> If customary use had always been consistent with roadside safety and beauty, there would be little need for this legislation.

Another source of dispute has been the inclusion of commercial and industrial areas in the coverage of the act. These are areas where billboards inevitably flourish. The cost of removal to the Government or to the owner would be tremendous. Furthermore, there exists the possibility of attempted circumvention of the law by virtue of zoning certain areas as commercial or industrial. This bill proposes to eliminate all reference to commercial and industrial areas and provides the States with the option of excluding all incorporated municipalities so long as the Secretary of Transportation agrees that such exclusion is not contrary to the broad national policy outlined in the act.

I hope this proposal will receive early consideration.

Mr. President, I ask unanimous consent that an editorial from the Washington Post, together with a brief analysis of the bill, and the text of the bill be printed in the RECORD at the close of my remarks.

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

The bill (S. 2122) to provide for scenic development and beautification of the Federal-aid highway systems, introduced by Mr. MAGNUSON (for himself and other Senators), was received, read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

S. 2122

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Highway Beautification Act of 1967."

TITLE I

SEC. 101. Section 131 of title 23, United States Code, is revised to read as follows:

§ 131. Control of outdoor advertising

(a) The Congress hereby finds and declares that the erection and maintenance of outdoor advertising signs, displays, and devices in areas adjacent to the Interstate System and scenic road system designated pursuant to subsections (d) and (e) should be controlled in order to protect the public investment in such highways, to promote the safety and recreational value of public travel, to insure that information in the specific interest of the traveling public is presented safely and effectively, and to preserve natural beauty.

(b) Federal-aid highway funds apportioned on or after January 1, 1970, to any State which the Secretary determines has not made provision for effective control of the erection and maintenance along the Interstate System and the scenic road system, designated pursuant to subsections (d) and (e), of outdoor advertising signs, displays, and devices which are within six hundred and sixty feet of the nearest edge of the right-of-way and visible from the main traveled way of the system, shall be reduced by amounts equal to 10 per centum of the amounts which would otherwise be apportioned to such State under section 104 of this title, until such time as such State shall provide for such effective control. Any amount which is withheld from apportionment to any State hereunder shall be reapportioned to the other States. Whenever he determines it to be in the public interest, the Secretary may suspend, for such periods as he deems necessary, the application of this subsection to a State.

(c) Effective control means that after January 1, 1970, such signs, displays, and devices shall pursuant to this section, be limited to:

(1) directional and other official signs or notices which are required or authorized by law;

(2) signs, displays, and devices pursuant to subsection (k) giving information in the specific interest of the traveling public and which shall conform to national standards hereby authorized to be promulgated by the Secretary hereunder;

(3) signs, displays, and devices advertising the sale or lease of property upon which they are located; and

(4) signs, displays, and devices advertising activities conducted on the property on which they are located.

(d) Effective control is further defined to mean that a State shall, by January 1, 1970, designate a scenic road system consisting of 10 per centum or more of its total mileage on the Federal-aid primary and Federal-aid secondary systems, and in areas adjacent to such scenic roads shall limit signs, displays, and devices in accordance with this section. After any such designation by a State and approval thereof by the Secretary such highway so designated and approval shall constitute the scenic road system in such State.

Notwithstanding the addition of a highway to the scenic road system, it shall concurrently remain as a unit of the system (primary or secondary) in which it was included prior to scenic road system designation. Nothing in this section shall be construed to prevent a State from designating from time to time additional scenic roads pursuant to this section and with approval of the Secretary. When a State designates scenic road system mileage on new construction in excess of the minimum mileage as defined in this subsection, the Federal share of costs payable under section 120(a) of this title, for highway projects comprising such excess, shall be increased by one-half per centum of the cost of construction above the Federal share otherwise payable.

(e) The Secretary shall approve the designation of any segment of the scenic road system which meets the following standards:

(1) a continuous length of at least twenty miles (counting contiguous portions within incorporated municipalities which may be excluded pursuant to subsection (f) from the provisions of sections 131 and 136 of this title); and

(2) proximity to existing and potential outdoor recreation areas identified in the statewide outdoor recreation plan, if any, prepared pursuant to the Land and Water Conservation Fund Act of 1965 (78 Stat. 897), or proximity to scenic geographic features such as oceans, lakes, rivers, mountains, or historic sites.

The Secretary may also approve the designation of segments not meeting such standards if he finds that such segments have scenic or recreational values.

(f) Any State may apply to the Secretary for the exclusion from the application of this section for segments of the scenic road system which traverse incorporated municipalities. The Secretary may grant such exclusions if he finds that such action will be consistent with the national policy declared in this Act. Segments of highways thus excluded from the scenic highway system shall not be counted as scenic road mileage under this section.

(g) A State may control the erection and maintenance of signs, displays, and devices visible from the main traveled way and in areas farther than six hundred and sixty feet of the nearest edge of the right-of-way along all or part of such systems, and if a State does carry out such control the Secretary shall participate in such control as if such areas were within six hundred and sixty feet of the nearest edge of the right-of-way of such systems.

(h) The sums authorized by section 319(b) of this title shall be utilized to the maximum extent feasible on the scenic road system, and the Secretary may give priority to applications of such projects. The Secretaries of the Interior, Housing and Urban Development, and Agriculture are authorized to utilize such statutory authority as they possess to cooperate with the Secretary and the States in protecting the scenic values and developing the recreational values of land adjacent to the scenic road system.

(i) The Secretary shall reimburse any State for 75 per centum of the cost of compensation paid for accomplishing the removal within two years of the date that the following signs, displays, and devices become nonconforming:

(1) those lawfully in existence on the Interstate System on the date of enactment of the Highway Beautification Act of 1965,

(2) those lawfully in existence on any highway made a part of the Interstate System after the date of enactment of the Highway Beautification Act of 1965; and

(3) those lawfully in existence on any highway made a part of the scenic road system after the date of enactment of the Highway Beautification Act of 1967.

Such compensation, to the extent compensable under State law, may be paid for the following:

(A) the taking from the owner of such sign, display, or device of all right, title, leasehold, and interest in such sign, display, or device; or

(B) the taking from the owner of the real property on which the sign, display, or device is located, of the right to erect and maintain such signs, displays, and devices thereon.

(j) Any sign, display, or device described in subsection (i) which is not removed with Federal assistance pursuant to such paragraph shall not be required to be removed prior to five years from the date on which it becomes nonconforming.

(k) In order to provide information in the specific interest of the traveling public, the State highway departments are authorized to maintain maps and to permit informational directories and advertising pamphlets to be made available at safety rest areas. Subject to the approval of the Secretary, a State may also establish informational centers at safety rest areas for the purpose of informing the public of places of interest within the States and providing such other information as a State may consider desirable.

(l) A State may provide for areas within the rights-of-way, at appropriate distances from intersections on the Interstate System, and at appropriate points on the scenic road system, on which signs, displays, and devices giving specific information in the interest of the traveling public may be erected and maintained. Such signs, displays, and devices shall conform to national standards promulgated by the Secretary.

(m) All public lands or reservations of the United States which are adjacent to any portion of the Interstate System or the scenic road system shall be controlled in accordance with the provisions of this section and the national standards promulgated by the Secretary. However, any Federal agency may promulgate more strict standards for those public lands or reservations under its jurisdiction which are adjacent to any portion of the Interstate System or the scenic road system.

(n) Any State highway department which has, under this section as in effect on June 30, 1965, entered into agreement with the Secretary to control the erection and maintenance of outdoor advertising signs, displays, and devices in areas adjacent to the Interstate System shall be entitled to receive the bonus payments as set forth in the agreement, but no such State highway department shall be entitled to such payments unless the State maintains the control required under such agreement to the control required by this section, whichever control is stricter. Such payments shall be paid only from appropriations made to carry out this section. The provisions of this subsection shall not be construed to exempt any State from controlling outdoor advertising as otherwise provided in this section provided that any State which has entered into such agreement need not remove any sign, display, or device previously authorized by this section as of June 30, 1965, and the national standards promulgated by the Secretary thereunder.

(o) Nothing in this section shall prohibit a State from establishing standards or laws imposing stricter limitations with respect to signs, displays, and devices on the Federal-aid highway systems than those established under this section.

(p) Not less than sixty days before making a final determination to withhold funds from a State under subsection (b) of this section, or to do so under subsection (b) of section 136, the Secretary shall give written notice to the State of his proposed determination and a statement of the reasons therefor, and during such period shall give the State an opportunity for a hearing on such determination. Following such hearing the Secretary shall issue a written order setting forth his final determination and shall furnish a copy of such order to the State. Within forty-five days of receipt of such order, the State may appeal such order to any United States district court for such state, and upon the filing of such appeal such order shall be stayed until final judgment has been entered on such appeal. Summons may be served at any place in the United States. The court shall have jurisdiction to affirm the determination of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the United States court of appeals for the circuit in which the State is located and to the Supreme Court of the United States upon certiorari or certification as provided in title 28, United States Code, section 1254. If any part of an apportionment to a State is withheld by the Secretary under subsection (b) of this section or subsection (b) of section 136, the amount so withheld shall not be reapportioned to the other States as long as a suit brought by such State under this subsection is pending. Such amount shall remain available for apportionment in accordance with the final judgment and this subsection. Funds withheld from apportionment and subsequently apportioned or reapportioned under this section shall be available for expenditure for three full fiscal years after the date of such apportionment or reapportionment as the case may be.

(q) There is authorized to be apportioned to carry out the provisions of this section, out of any money in the Treasury not otherwise apportioned, not to exceed $15,000,000 for the fiscal year ending June 30, 1968, and not to exceed $20,000,000 for the fiscal year ending June 30, 1969.

TITLE II

SEC. 201. Section 136 of title 23, United States Code is revised to read as follows:

S. 136. Control of junkyards

(a) The Congress hereby finds and declares that the establishment and use and maintenance of junkyards in areas adjacent to the Interstate System and the scenic road system, designated pursuant to subsections (d) and (e) of section 131, should be controlled in order to protect the public investment in such highways, to promote the safety and recreational value of public travel, and to preserve the natural beauty.

(b) Federal-aid highway funds apportioned on or after January 1, 1970, to any State which the Secretary determines has not made provision for effective control of the establishment and maintenance along the Interstate System and the scenic road system, designated pursuant to subsections (d) and (e) of section 131, of outdoor junkyards, which are within one thousand feet of the nearest edge of the right-of-way and visible from the main traveled way of the system, shall be reduced by amounts equal to 10 per centum of the amounts which would otherwise be apportioned to such State under section 104 of this title, until such time as such State shall provide for such effective control. Any amount which is withheld from apportionment to any State hereunder shall be reapportioned to the other States. Whenever he determines it to be in the public interest, the Secretary may suspend, for such periods as he deems necessary, the application of this subsection to a State.

(c) Effective control means that by January 1, 1970, with respect to junkyards along the Interstate System, and not later than two years after the designation of a segment of highway as part of the scenic road system, designated pursuant to subsections (d) and (e) of section 131, with respect to junk-

yards along such segment, such junkyards shall be screened by natural objects, plantings, fences, or other appropriate means so as not to be visible from the main traveled way of the system, or shall be removed from sight.

(d) the term "junk" shall mean old scrap copper, brass, rope, rags, batteries, paper, trash, rubber debris, waste, or junked, dismantled or wrecked automobiles, or parts thereof, iron, steel, and other old or scrap ferrous or nonferrous material.

(e) The term "automobile graveyard" shall mean any establishment or place of business which is maintained, used, or operated for storing, keeping, buying, or selling wrecked, scrapped, ruined, or dismantled motor vehicles or motor vehicle parts.

(f) The term "junkyard" shall mean an establishment or place of business which is maintained, operated, or used for storing, keeping, buying, or selling junk, or for the maintenance or operation of an automobile graveyard, and the term shall include garbage dumps and sanitary fills.

(g) Notwithstanding any provision of this section, any junkyard in existence on the date of enactment of this section which does not conform to the requirements of this section and which the Secretary finds as a practical matter cannot be screened, shall not be required to be removed until the end of the fifth year after such junkyard becomes nonconforming.

(h) The Federal share of landscaping and screening costs under this section shall be 75 per centum.

(i) The Secretary shall reimburse any State for 75 per centum of the cost of compensation, to the extent compensable under State law, paid the owner for the relocation, removal, or disposal of the following junkyards:

(1) those lawfully in existence on the Interstate System on the date of enactment of the Highway Beautification Act of 1965;

(2) those lawfully in existence on any highway made a part of the Interstate System after the date of enactment of the Highway Beautification Act of 1965; and

(3) those lawfully in existence on any highway made a part of the scenic road system, designated pursuant to subsections (d) and (e) of section 131, after the date of enactment of the Highway Beautification Act of 1967.

(j) All public lands or reservations of the United States which are adjacent to any portion of the Interstate System and scenic road system, designated pursuant to subsections (d) and (e) of section 131, shall be effectively controlled in accordance with the provisions of this section. However, any Federal agency may promulgate more strict limitations for those public lands or reservations under its jurisdiction.

(k) Nothing in this section shall prohibit a State from establishing more strict limitations with respect to outdoor junkyards adjacent to the Interstate System and scenic road system, designated pursuant to subsections (d) and (e) of section 131, than those established under this section.

(l) There is authorized to be appropriated to carry out this section, out of any money in the Treasury not otherwise appropriated not to exceed $20,000,000 for the fiscal year ending June 30, 1968, and not to exceed $20,000,000 for the fiscal year ending June 30, 1969. No part of the Highway Trust Fund shall be available to carry out this section.

The editorial and analysis, presented by Mr. MAGNUSON, are as follows:

BLUNDERBUSS BILLBOARD LAW

The Highway Beautification Act, as it applies to outdoor advertising, has turned out to be one of the most disappointing statutes Congress ever enacted. It was known at the time the bill was passed in 1965 that it contained some striking defects. Now some of the legislators who are most interested in protecting highways from unsightly distractions are saying that the law is worse than no law at all. In some states it will actually create billboard advertising where none existed before.

One critical error was the requirement that the states, with Federal aid, compensate the owners of billboards to be removed. A report by the Secretary of Transportation estimated the cost of removing about 1 million outdoor ads under this provision at $358,610,000. There is no indication that Congress is ready to appropriate that rather staggering sum. Nor is there any necessity for it. Some states have been able to control billboards through use of their police power, and they now balk at the idea that they must pay compensation where none would be required to effect the desired improvements under their own law.

Another critical defect in the act was the failure to make absolutely clear that the states could enforce stricter regulation of billboards than the Federal statute provided. This weakness was further accentuated by the provision declaring it a purpose of Congress "to promote the reasonable, orderly and effective display of outdoor advertising." This tricky gimmick in itself comes close to sabotaging the Highway Beautification Act.

The weaknesses of the act have come strikingly to the fore because any state which has not complied with its terms by next January 1 will lose 10 per cent of its Federal-aid highway funds. Some states with strict billboard control systems are thus in danger of being penalized unless they lower their standards in some respects and pay compensation where they feel that it is unnecessary.

The only feasible course appears to be a general overhaul of the statute so as to eliminate its inconsistencies and reduce the excessive outlays. Representative Pelly and Senator Cooper have introduced bills under which the focus would be shifted from the entire "Federal-aid primary system" to the Interstate System and especially scenic highways. Because of the confusion that has resulted from the attempt to regulate billboards in commercial and industrial zones, this problem would be left to the cities. Congressman Pelly insists that his bill would reduce the cost of the program by 30 per cent and produce more satisfactory results than the present law.

In any event Congress has to act during its present session if it is to avoid penalizing the states for not having conformed with what appears to be an unworkable and unsatisfactory law. Certainly it should address itself to the defects as well as extension of the time limit. And it would doubtless be better to create a good system of control with limited application than to struggle along with a blunderbuss approach that would be in danger of breakdown because of its complexities and extravagance.

ANALYSIS OF THE BILL

1. Provides for effective control of outdoor advertising and junkyards adjacent to the Interstate System and the scenic portions of other federal-aid highway systems by 1970. (The present Act requires state action by January 1968 with respect to all primary federal-aid highways and the interstate system.)

2. Requires the states to designate by 1970, 10 percent of its total mileage of federal-aid primary and federal-aid secondary systems as a scenic road system in addition to the Interstate System. An incentive bonus of ½ percent increase in federal construction assistance is provided where the states designate more scenic roads than are required.

3. Simplifies the present Act by more specifically defining those signs which are excluded from control.

4. Allows states to control the super signs beyond 660 feet of the right of way and to receive federal funds as if within 660 feet.

5. Allows each state to apply to the Secretary of Transportation for the exclusion of scenic highway segments passing through municipalities. The Secretary has the discretion to grant the exclusion consistent with national policy.

6. Permits a state, consistent with national standards, to designate certain areas at which signs giving specific information in the interest of the traveling public may be erected.

7. Provides for reimbursement by the federal government of 75 percent of the cost which is incurred by the state in compensating for sign removal. Where compensation is paid, the signs must be removed within two years after they become nonconforming. If the state does not pay compensation for removal, the signs need not be removed until after five years.

8. States which entered into agreements under the Act, as in effect on June 30, 1965, need not remove signs affirmatively authorized by the Act as then written.

9. Junkyards are controlled in substantially the same manner as outdoor advertising.

10. Requires that in designation of roads for the scenic road system the states consider scenic geographic or historic features and coordinate with their state recreation plan for the Land and Water Conservation Fund Act.

A BILL TO CONTROL ALEWIVES IN THE GREAT LAKES

Mr. NELSON. Mr. President, I introduce for myself and the Senators from Minnesota [Mr. MONDALE and Mr. MCCARTHY], the Senators from Michigan [Mr. GRIFFIN and Mr. HART], the Senators from Indiana [Mr. HARTKE and Mr. BAYH], the Senator from Illinois [Mr. DIRKSEN], the Senator from New York [Mr. KENNEDY], the senior Senator from Wisconsin [Mr. PROXMIRE], and the junior Senator from Illinois [Mr. PERCY], a bill to provide $5 million in Federal funds, to be matched by the interested Great Lakes States, to implement existing programs and develop new programs for controlling alewives.

The alewife is a small herringlike fish which originally lived in the Atlantic Ocean, but which in recent years has moved up the St. Lawrence River into Lake Ontario and then through the Welland Canal into the upper lakes.

In a very short period of time the populations of alewives have exploded to the point where it is now estimated that they constitute 90 percent to 95 percent of the total fish population in Lakes Michigan and Ontario, and there are indications that their numbers are increasing in the other Great Lakes. This alewife population explosion has caused a serious disruption of the ecological balance in the Great Lakes, particularly Lakes Michigan and Ontario.

Although the whole life cycle of this fish is not clearly understood—one thing is clear—these fish have relatively short lifespans and each year they die off in tremendous numbers. This year's dieoff has been the worst ever. The great mess that has been created by dead alewives piling up on the Lake Michigan shore this summer has created a very serious problem.

The dieoff this year has led some people to speculate that next year the population will be smaller. We have been

told, however, that in the laboratory one female alewife produces 10,000 eggs and that 8,000 of them hatch.

The accumulation of dead fish along beaches creates a health hazard. The dead fish are a serious water pollutant and a threat to water-based recreation. Chicago park officials recently said that the number of dead alewives that they have removed from the beaches and buried would cover two football fields, 500 feet deep.

Several approaches to the problem have been attempted. One has been the introduction into the Great Lakes of predator species such as the Coho and Chinook salmon. Indications are that the plantings of Coho salmon last year were highly successful. We must expand plantings of predator species and at the same time continue to look for new species of fish which cannot only serve as predators but also as resources for the sport and commercial fisherman.

Another way to help control the alewife population is to expand commercial fishing and processing of them. In 1966, it was estimated that commercial fishermen and natural predators removed about 28.9 million pounds of alewives from Lake Michigan. At the same time, the Bureau of Commercial Fisheries said that there were between 3 and 5 billion pounds of alewives in Lake Michigan and that at least 200 million pounds could be profitably harvested each year.

The goal of our efforts is to establish a sound new ecology in the Great Lakes. The balance of nature that we are striving for will include alewives and a number of other species which will offer opportunities to both the sport fisherman and the commercial fisherman.

The bill has attracted widespread, bipartisan support. This problem is something that concerns all of the Great Lakes Senators and we intend to do something about it.

We are not going to solve this alewife problem overnight. It can only be resolved by a sustained effort over a period of years, but it is critical that we start now. This year's dieoff appears to be slowing down now but we must begin our new control programs as soon as possible or we will have an even worse mess next year.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point in my remarks.

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

The bill (S. 2123) to provide for the control of the alewife and other fish and aquatic animals in the waters of the Great Lakes which affect adversely the ecological balance of the Great Lakes, introduced by Mr. NELSON (for himself and other Senators), was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

S. 2123

A bill to provide for the control of the alewife and other fish and aquatic animals in the waters of the Great Lakes which affect adversely the ecological balance of the Great Lakes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, because of the fact that the ecological balance of the Great Lakes has been disrupted, the Secretary of the Interior is authorized, for purposes of conserving and protecting the fish resources, combating water pollution, and promoting and safeguarding water-based recreation for present and future generations, in the waters of the Great Lakes, to cooperate with, and provide assistance to, the States in controlling the alewife (known biologically as "alosa pseudoharvengus"), and other fish or aquatic animals which affect adversely the ecological balance of the Great Lakes.

SEC. 2. In carrying out the purposes of this Act, the Secretary of the Interior, in cooperation with the States, is authorized (1) to conduct, directly or by contract, such studies, research, and investigations, as he deems desirable, to determine the abundance and distribution of the alewife and other fish or aquatic animals which affect adversely the ecological balance of the Great Lakes and their effects on other fish or aquatic animals, pollution, and water-based recreation within the Great Lakes; (2) to conduct, directly or by contract, studies of control measures of the alewife and other such fish and animals; (3) to establish and carry out, based on studies made pursuant to this Act, programs relating to controlling the alewife and other such fish and animals, stocking, and the development of industrial or other commercial uses of the alewife and other such fish and animals; and (4) to take such other actions as he deems desirable in carrying out the purposes of this Act. The costs of any study, research, investigation, program, or other action conducted or carried out in accordance with the provisions of this Act shall be borne equally by the Federal government and by the States, acting jointly or severally.

SEC. 3. The Congress hereby consents to any compact or agreement between any two or more States entered into for the purpose of carrying out a program of research, study, investigation, or other action relating to the control of the alewife and other fish and aquatic animals which affect adversely the ecological balance of the Great Lakes. The right to alter, amend, or repeal this section or the consent granted herein is expressly reserved.

SEC. 4. Nothing in this Act shall be construed to alter, amend, repeal, modify, or diminish the present general authority of the Secretary of the Interior to conduct studies, research, and investigations related to the mission of the Department of the Interior.

SEC. 5. There is authorized to be appropriated not to exceed $5,000,000 for the Federal share of the costs involved in connection with any study, research, investigation, program, or action conducted or carried out in accordance with this Act.

INTRODUCTION OF THE HOME PURCHASE ASSISTANCE ACT AND THE HOUSING EXPERT AND LOAN PROGRAM

NEW DIRECTIONS IN HOUSING

Mr. MONDALE. Mr. President, millions of modest-income people in this country can no longer afford or obtain mortgage credit. "Redlined" residential areas, credit barriers for minority groups, and the constant threat of tight money are reducing home-buying opportunities even while our overall economy is expanding. The challenge of mortgage credit for lower income families has not been met by private lenders, and, regretfully, some have contributed to the problem we now face.

It is fitting at this time to remember that the Federal Housing Administration opened up home purchasing opportunities for millions of middle-income families. FHA did this by encouraging the private sector and supplementing its efforts. Under a bill I am introducing today, FHA could do the same for millions of low- and moderate-income families. And under a second bill, the commendable effort by nonprofit organizations in the housing field would be assisted. FHA has played a key supporting role for nonprofit sponsors as well as for profit-minded developers of housing.

FHA, unfortunately, finds itself in a crossfire of conflicting criticisms. Both caution and derring-do are urged upon the agency at the same time. Nonconstructive criticism and contradictory mandates are a disservice to both FHA and the public interest.

Housing legislation has never been restricted to a single goal. An expansion of the total supply of housing, conservation and rehabilitation of the existing supply, increased economic activity and greater employment opportunities, revitalization of blighted areas, and special efforts to improve housing opportunities for persons of low- and moderate-income have all been major policy objectives.

There are times when the pursuit of multiple goals leads to difficulty. The Federal Housing Administration seems now to find itself in one of these periods. If so, we are at a juncture that permits no hesitation, no faltering, no reluctance to meet those needs that are so urgent. Clarification, and a call to appropriate action are in order.

GENERAL PERSPECTIVE

Since its establishment in 1934, the FHA has made homeownership possible for more than 8 million families. It has provided insurance for $112 billion worth of loans and mortgages. In particular, insurance of mortgages with liberal terms has made possible large-scale construction and sales of homes, which, in turn, has enabled FHA to serve the moderate price market. In recent years, the FHA and similar VA programs have accounted for a majority of new homes costing under $15,000.

In any system as large and complex as FHA, involving hundreds of thousands of decisions ranging from estimates of the likely market to the capability of the builder, there are bound to be mistakes. Some can be avoided through foresight; some become clear only with the benefit of 20/20 hindsight. Some can be corrected through improved policies and procedures; some cannot, without destroying the very purposes for which FHA was created.

Recognizing that Congress created FHA for the express purpose of assuming a measure of risk which private lending institutions did not feel it prudent to accept by themselves, the remarkable fact is not that there have been some failures, but that there has been so much success.

Total losses to date represent only 0.7 percent of all insurance written. And FHA's insurance reserve is $1.1 billion, plus an allowance of $429 million for estimated losses.

The significance of these figures is all the more impressive in light of the new directions that Congress authorized FHA to take in recent years to meet the needs of central cities and families with mod-

erate incomes—where the needs are urgent and the risks greater.

FHA'S NEW DIRECTIONS

In the postwar period, and especially in the 1960's, FHA has been called upon to administer a constantly increasing number of multifamily programs which are designed to serve specific social objectives.

The cooperative housing and condominium programs were introduced as a means of providing homeownership to an urban market which otherwise would be restricted to profit-motivated rental projects. The elderly housing program, section 231, was added for the purpose of increasing the availability of special facilities for persons 62 years and older, and this program has recently been expanded to accommodate handicapped persons. The urban renewal program, section 220, provides financing for rehabilitating substandard housing in slum areas and for the construction of new housing in areas cleared of slums. The section 221 program offers financing for the construction or rehabilitation of low cost sales housing and rental housing for moderate-income families. The special below-market interest rate financing under section 221(d)(3) enables the development of rental projects with rentals that can be afforded by low- and moderate-income families.

In establishing these new social purpose programs, with novel financial arrangements and with innovations in the types of projects and in the sponsorships, it is evident that Congress recognized that the FHA would be required to incur higher risks.

SECTION 231 PROGRAM

For example, let us examine the section 231 programs for housing the elderly:

In 1956, the Nation was greatly concerned with the inadequacy of available housing for the elderly. The Housing Act of 1956 permitted the FHA to insure mortgages covering nonprofit projects designed for rental to elderly persons. Congress recognized that elderly housing required special design and construction to meet the requirements of the elderly, such as small living units, central dining facilities, reading rooms, specially designed bathrooms and doorways, nonskid floors, special lighting fixtures and other amenities. As finally enacted, the mortgage was based upon 90 percent of the replacement cost.

The legislative history also indicated that Congress did not expect elderly housing projects to meet the test of economic soundness.

In 1959, this program was expanded to include both profit and nonprofit mortgagors. The nonprofit mortgagors were eligible for mortgages based upon 100 percent of replacement cost, whereas the profit mortgagors were restricted to 90 percent of replacement costs.

Testimony during the hearings on the 1959 amendment highlighted the fact that many nonprofit sponsors were unable to achieve the 10-percent equity required and that the 3 years of operation of the program there had been applications for only 32 projects, with a total of 4,500 units.

It was apparent that the program needed to be stimulated if it were to meet the needs of the elderly, and the 100 percent of replacement cost mortgages for nonprofit mortgagors was the result.

SECTION 220 PROGRAM

Another example of the new directions is the 220 program, which was first authorized in the 1954 Housing Act. Congress recognized that, if projects were to be built in substantial quantity in urban renewal areas, FHA would have to depart from the more cautious approach followed in section 207 programs.

Because lenders were unwilling to make loans in areas with an uncertain future, the older programs had not been effective in providing financing in urban projects. Creation of a special 220 program was expected to permit a less cautious evaluation of these projects than was necessary for projects located in more favorable environments.

This section 220 was further liberalized by a 1955 amendment which substituted "replacement cost" for "value" in determining the amount of FHA insurance available. In commenting on this proposed change, a Senate committee report stated:

> Although there has been general interest in the program by builders and lenders, it has not produced any housing. Testimony before the committee shows that one of the principal obstacles is the use of 'estimated value' as the basis for determining the maximum mortgage amount. Under the 'estimated value' concept, the FHA has been unwilling to recognize the ultimate value of a project constructed in the midst of a blighted area, even though such area is planned for eventual rehabilitation. This bill would provide that the maximum mortgage amount be computed on the basis of the 'estimated replacement cost.' *Under this concept, the committee hopes that the program can begin to serve the purpose for which it was created.*

In 1956, 2 years after its enactment in 1954, there still had not been a single project insured under section 220. Thus the House of Representatives conducted an investigation to "find out why the volume of rental housing construction under Government-assisted programs had virtually dried up and to determine what steps were necessary for corrective action." Subsequently the committee recognized that, in order to encourage participation by builders in urban renewal areas, it would probably be necessary to include in mortgage amounts an allowance for the "builder's and sponsor's risk." The committee's report stated:

> It certainly should not be overlooked either that the builder-sponsor equity investment is precarious and that it may be wiped out should the expected rental income fail to materialize. It has been estimated that a fall-off in expected rental income of as little as 15 percent could result in the foreclosure of the mortgage and the loss of the builder's equity . . . The proper profit allowance is necessarily a controversial subject as between the sponsor who understandably is interested in the highest allowance possible, and the FHA with its administrative responsibilities.

In 1956, section 220 was, once again, amended to include in the approved mortgage amount a 10-percent allowance for builder's and sponsor's profit and risk based on all costs incident to construction, including the cost of the land.

Inevitably, each of these steps has exposed FHA to a greater risk. In all fairness we must acknowledge that Congress, by legislative enactment, has called upon FHA to take a more experimental approach in various programs. Talk now of "economic soundness" and "economic feasibility" should be balanced by due consideration to the goals of renewing cities and removing blight of rehabilitation sound but deteriorating homes, of conserving neighborhoods, and of providing decent housing for low- and moderate-income people.

SECTION 221 PROGRAM

As to future directions, it is obvious that this administration expects the FHA to play an increasingly responsible social role in American cities:

Of prominence is the rent supplement program which was designed to mobilize the resources of private enterprise in meeting the urgent needs of low-income families for decent housing. By paying supplements to the owners, who, with FHA-insured private financing, construct and operate the projects, this program will stimulate and rely upon private enterprise. It will help thousands of our low-income citizens to lift themselves from substandard accommodations, and, in so doing, promote the efforts of local communities to remove blight and squalor.

Further, the FHA, has participated in several rehabilitation demonstration projects. The most far reaching of these is the so-called "hole in the roof" rehabilitation project in New York City. Through systems analysis, new technology, and new products, an old tenement was completely rehabilitated within a 48-hour period. In this venture, the FHA played an important role of by using the 221(d)(3) insuring program to support the mortgage.

There are other examples of the new social directions presently being undertaken by the FHA. Realistically, however, we should recognize that FHA is just beginning on this venturesome course. They need encouragement and most of all they need congressional direction.

On the other hand, I readily admit that some of the multifamily projects on which mortgages were insured were ill-conceived and underwriting judgments were sometimes poor—especially during the early phases of operation under the high-risk programs.

FURTHER NEEDS

I am substantially in agreement with the recommendation that high-cost housing projects have economic feasibility as a primary standard. However, in other projects we must allow for "acceptable risks" and FHA must be encouraged to take those risks necessary to provide adequate housing for the elderly, persons displaced by Government action, and other persons of low and moderate income. In addition we should take risks and suffer the losses necessary to conserve neighborhoods composed of low density residences suitable for families of modest income. Where actions by residents or by public authorities give rea-

sonable promise of stabilizing the residential character of a neighborhood, mortgage credit on reasonable terms should be available. Lower income families should not be left at the mercy of unscrupulous lenders who charge exorbitant rates of interest or of landlords who exploit and improperly convert housing for quick profits. Some steps have been taken to meet these problems.

The FHA presently administers the section 221(h) program—rehabilitation sales housing for low-income purchasers. This program provides financing for the purchase of deteriorating or substandard single-family dwellings and the rehabilitation and sale of these dwellings to low-income purchasers on a nonprofit basis. Also the FHA is administering the 221(d)(3) program which provides rental units to moderate-income persons and those displaced by Government action. But there is no program to enable low- and moderate-income families to tap the existing housing supply as purchasers. Yet many of these older homes are not expensive. Many require little or no rehabilitation.

During recent hearings on mortgage credit several private organizations suggested that this "turnover" process was the best way to make housing available to low- and moderate-income people. But existing single-family dwellings are not in fact readily available to modest-income families. Sharp increases in the cost of mortgage credit, such as occurred last year, eliminate millions of families from the housing market. A rise of only one percentage point in the interest rate increases by $500 to $600 the annual income required to buy even an inexpensive home. The substantial jump in interest rates of last year may have removed as many as 4 million moderate-income families from home-buying eligibility.

The practice of "redlining" is another major interference with the turnover process. Older neighborhoods, especially as they are settled by minority groups, may be declared by lending institutions to be unsuitable for mortgage credit. Once an area is so marked, it can only go down. Money is not available to make repairs and to preserve the single-family character of residences. All across the country units are allowed to deteriorate. Some of them are large, rambling, Victorian houses which would be especially suitable for large families.

Nearly $2 billion have been spent on urban renewal. Painfully we have learned that rehabilitation is socially and economically preferable to clearance. We must also recognize that conservation and steady maintenance are preferable to rehabilitation. And we must go the one additional step necessary to realize that mortgage credit is a key to conservation. In her much praised book, "The Death and Life of Great American Cities," Jane Jacobs points out that "droughts of mortgage money" are the cause of much urban decay.

In some cases mortgage credit is not available on reasonable terms because prospective home buyers are minority group members or persons of low to moderate income. In mortgage credit as in so many other areas, the story is the familiar one—"the poor pay more." The consequence is overcrowding, rapid turnover in occupancy, and in paper ownership, and a speedy rate of decline and deterioration. Once this process has set in, clearance or, at best, expensive rehabilitation is the final result.

There is an alternative—to meet the problem forthrightly. Preventive measures would be a great deal more humane and, for the economy-minded, less expensive in the long run.

Finding fault with FHA will not change circumstances. Mortgage credit is costly; it is unavailable in many older areas containing inexpensive housing; and it cannot be obtained by many deserving families. Efforts have been made to promote greater insurance activity in older areas but without adequate tools neither FHA nor any other agency can cope with the situation.

THE HOME PURCHASE ASSISTANCE ACT

I am introducing today the Home Purchase Assistance Act. It is a charge to FHA to take risks and to pay greater heed to the housing problems of lower-income families, and it provides the means for taking these steps. In international affairs we have established high-risks, low-interest loans. My bill draws on this same principle to conserve our existing housing supply and to increase home purchasing opportunities for low- and moderate-income families. It is a mandate to FHA to take whatever risks are necessary in order to put low- and moderate-income families in decent housing.

As many as 7.5 million families in America could qualify under this program. This includes present homeowners who are in substandard or overcrowded units, and it includes renters who could achieve homeownership.

The program is limited to single-family, previously occupied dwellings which have a principal obligation of $12,500. An exception is made for high-cost areas where the mortgage can be $15,000. These homes will be insured at the FHA rate—currently 6-percent ceiling—and have a maturity of up to 35 years. The bill authorizes $30 million in contract authority the first year, and an additional $20 million the second year, to provide for an interest rate writedown. That is, the Federal Government will pay up to half of the interest for the length of this mortgage, with the purchaser paying the other half. This encourages the private lender to accept the mortgage on these homes and maintain it.

Also a $10 million reserve fund is established at the FHA to cover the risk of losses under this program. This protects the regular reserve fund, and provides for a clear mandate for greater risk on part of the FHA. Therefore, the bill makes no effort to bypass existing institutions, public or private, rather both the private lender and the FHA are encouraged to use their experience and resources to put low- and moderate-income families in decent housing.

The housing is available. One in five families move each year, providing a constant supply of vacant, standard residences.

The problem—

Bernard Frieden of MIT has explained—

is to secure a larger share of this housing for people whose choices are now very limited, principally Negroes and low-income families.

With modest assistance this can be accomplished. The appropriation I am calling for would enable 100,000 families to better their housing conditions this year.

Tax deductions for mortgage interests have aided and encourage middle- and high-income families in the purchase of housing. Under this new program funds to cover up to half the interest charges would provide low- and moderate-income families with an equally strong incentive to purchase.

In the longrun, we will have saved money through conserving our housing. Owner-occupied, uncrowded, single-family dwellings have a life far longer than housing under any other conditions.

I want to emphasize one additional feature of my proposal—permission for a special increase in mortgage obligation of $2,500 for exceptionally large families. One of our chronic problems has been adequate housing for low- and moderate-income families with many children. Improved chances to purchase a home should help solve this problem.

It should be made clear that the program proposed here does not assume that every low-income family can or wants to buy a house. It does assume that many families who otherwise would have to remain renters—and all too often at a high cost—can and will purchase given some assistance.

The modest aid provided here along with a fuller use of the existing housing supply will afford substantial opportunities. My estimate by region of the income level which would be served and the average monthly housing cost under this bill are:

	Income interval	Monthly housing cost
Northeast	$4,700–$7,300	$103
North central	4,200–7,400	88
South	3,600–6,000	76
West	4,700–7,400	103

This bill reduces the cost by $25 to $37 a month to the above levels.

OPERATION HELP

This program does not require the participation of nonprofit sponsors or similar intermediaries. But I am by no means inclined to neglect these groups and the important contribution they can make. Several existing programs depend on the use of nonprofit sponsors. For example, the 221(d)(3) program for low- and middle-income families, the rent supplement program, the housing for the elderly, and the rural housing program all encourage nonprofit sponsors such as church groups to be active in the housing field.

But, nonprofit sponsors have not been adequately used because of gaps in the legislation. These groups too often do not have the technical expertise necessary to deal with the maze of problems associated with planning, developing, fi-

nancing, executing, administering, and managing these projects. For example, the local church in a small community might be interested in sponsoring a project for the elderly, but would not have the vaguest idea of how to go about acquiring land and constructing a 40-unit project. My second bill, Operation HELP, would deal with these problems and allow more potential sponsors to enter the field of providing housing for those of modest means.

This would be accomplished by providing grants to the States to establish a program to encourage nonprofit sponsors and to provide them with the technical assistance necessary to develop and obtain financing for a project.

Also a revolving fund would be established at the Federal level to provide no-interest loans to nonprofit sponsors for "seed" money to develop proposals for low- and moderate-income housing. At the present time many potential sponsors are discouraged by the cost of developing proposals. These costs include: architectural fees, market surveys, engineering surveys, insurance fees, and other costs associated with the preparation of a multiunit project. If we are to encourage these sponsors, then we must be concerned that they are successful and do not default. The preliminary work, if competent, will better insure their success. Therefore, we must provide the funds necessary to guarantee that careful competent planning is performed.

CONCLUSION

Thus my two bills deal with missing links in the housing law. The one gives the FHA a new mandate and encourages this agency to take the risk necessary to provide homeownership to many people otherwise prevented from it. The second bill facilitates the use of nonprofit sponsors in providing additional units of safe and decent housing for those of modest means. Neither is a drastic attempt to alter present practices; rather, both use the framework of existing legislation, the expertise and the competence of administrative agencies, and the experience and resources of private organizations.

Mr. President, I request that the following be placed in the RECORD at this point:

First. Summaries of the two bills.

Second. The text of these bills.

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

The summary, relating to Senate bill 2124, is as follows:

SUMMARY OF MORTGAGE SUBSIDY PROGRAM

The purpose of this bill is to broaden the federal government's housing program for families of modest means. At the present time there are various programs that assist the low and moderate income. The first is section 221. Under this section below the market interest rate mortgages may be insured by the FHA. The (d) (3) section of 221 provides for below the market interest rates for the construction or rehabilitation of rental units. The (h) section provides assistance to non-profit corporations to purchase and rehabilitate housing for resale to families of low income (defined to include only those who are eligible for rent supplements).

For the lowest income families there are, in addition to section 221 (h), the rent supplement and the public housing programs. Both provide for rental units to families who would otherwise be forced to live in substandard housing. The low and moderate income elderly are assisted under section 202 of the National Housing Act which provides for loans to sponsors of rental units for the elderly. The rural housing program assists the rural family in finding decent housing.

There is therefore one missing segment in this legislation if we are to provide alternatives to the low and middle income family. This gap is a program to assist the family of modest means in purchasing a home. This bill attempts to complement existing legislation by providing the alternative of home ownership to those families who can qualify under the income limits of the 221 (d) (3) program.

A new mortgage section, 235, would be created. This section would authorize the Secretary to insure mortgages on previously occupied, single family dwellings. The principal obligation could not exceed 12,500, except in high cost areas where it could be increased to 15,000 dollars. Special exception is made for the large family (5 or more children) as the Secretary is allowed to increase the maximum limits by 2500 dollars for these families.

The mortgages will bear FHA interest rate (currently 6% ceiling) and can run as long as 35 years. The federal government will use a home purchase assistance fund to reduce the amount of interest to 3% to the purchaser. The fund will provide the difference between this three percent and the actual interest rate, charged to the purchaser. This allows for the monthly payment to be lowered, and place the possibility of home ownership in the reach of additional families of modest means. $30 million is authorized in contracts for the first year and this will be increased another $20 million the second year.

Also a 10 million dollar fund is established to cover the expenses and the risks of this program. This will free FHA from the normal conservative insurance criteria it uses to cover the expenses and losses under the program.

The bill (S. 2124) to amend title II of the National Housing Act to provide home purchase assistance, and for other purposes, introduced by Mr. MONDALE, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

S. 2124

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title II of the National Housing Act is amended by adding at the end thereof the following new section:

"HOME PURCHASE ASSISTANCE

"SEC. 1. Title II of the National Housing Act is amended by adding a new section 235 to read as follows:

"'SEC. 235. (a) In addition to mortgages insured under other provisions of this title, the Secretary is authorized, upon application by the mortgagee, to insure mortgages executed to finance the sale of existing, previously occupied, single-family dwellings to low or moderate income purchasers. Commitments may be issued by the Secretary for the insurance of such mortgages prior to the date of their execution or disbursement thereon, upon such terms and conditions as the Secretary may prescribe. To be eligible for such insurance, the mortgage shall—

"'(1) be executed by a mortgagor having an income within the limits prescribed by the Secretary for occupants or projects financed with a mortgage insured under section 221(d)(3) which bears interest at the below market rate prescribed in the proviso of section 221(d)(5);

"'(2) involve a principal obligation (including such initial service charges, appraisal, inspection and other fees as the Secretary shall approve) in an amount not to exceed the lesser of the Secretary's estimate of the appraised value of the property or $12,500, or in the case of repair and rehabilitation in an amount not to exceed the lesser of the sum of the estimated cost of repair and rehabilitation and the Secretary's estimate of the value of the property before repair and rehabilitation or $12,500: *Provided,* That the Secretary may, by regulation, increase the foregoing dollar amount limitations to $15,000 in any geographical area where he finds that cost levels so require: *And provided further,* That when the Secretary finds that a family which includes five or more minor persons is unable to obtain housing of adequate size within the foregoing dollar amount limitations, the Secretary may, by regulation, increase the foregoing limitations to $15,000 and $17,500, respectively;

"'(3) be secured by property upon which there is located a dwelling which meets the requirements of all State laws, or local ordinances or regulations, relating to the public health or safety, zoning or otherwise, applicable thereto, and conforming to standards prescribed by the Secretary for properties insured under this section which standards shall give consideration to the need for providing adequate housing for families of low and moderate income;

"'(4) bear interest (exclusive of premium charges for insurance, and service charges, if any) at such rate, not in excess of 6 per centum per annum on the amount of the principal outstanding at any time, as the Secretary finds necessary to meet the mortgage market;

"'(5) provide for complete amortization by periodic payments within such term as the Secretary may prescribe, but not to exceed 35 years; and

"'(6) be executed by a mortgagor who shall have paid on account of the property at least 3 per centum of the Secretary's estimate of its acquisition cost which amount may include amounts to cover settlement costs and initial payments for taxes, hazard insurance premiums, mortgage insurance premiums, and other prepaid expenses: *Provided,* That the foregoing required payment on account of the acquisition cost of the property may be reduced, by regulation, to at least $200, if the mortgagor (i) is determined by the Secretary to be a displaced family within the meaning of "displaced family" as defined in the last paragraph of section 221(f) of this title, or (ii) is required to move from a low rent public housing project, aided by a contract for annual contributions under the United States Housing Act of 1937, because of an increase in family income beyond the approved maximum income limits for continued occupancy, or (iii) is living in housing determined by the Secretary to be substandard.

"'(b) Notwithstanding any provision of this Act, the Secretary, in order to further the provision of housing for low and moderate income families, may insure a mortgage which meets the requirements of subsection (a) of this section with no premium charge, with a reduced premium charge, or with a premium charge for such period or periods during the time the insurance is in effect, as the Secretary may determine.

"'(c) In order to further the objectives of this section, the Secretary may enter into agreements with mortgagees agreeing to hold mortgages insured under this section to pay such mortgagees, during such time as the mortgagor shall continue to occupy the property (or during such time as the prop-

erty shall be occupied by a purchaser from the mortgagor who, at the time of purchase, shall have had an income within the limits prescribed in subsection (a)(1) of this section), annual payments on the basis of the difference between the amount of monthly payment for principal and interest which the mortgagor is obligated to pay under a mortgage bearing interest at the market rate established by the Secretary pursuant to subsection (a)(4) of this section and the monthly payment for principal and interest which the mortgagor would be obligated to pay if the mortgage were to bear interest at the rate established pursuant to the proviso in section 221(d)(5):

"'*Provided,* That such mortgagees shall agree to collect mortgage payments from mortgagors, during such periods of occupancy, in the amount which would be payable by the mortgagor if the mortgage were to bear interest at the rate established pursuant to the proviso in section 221(d)(5). The Secretary may also, in order to encourage private lenders to make funds available for mortgages insured under this section, enter into agreements with such mortgagees to compensate them for additional expenses which they may incur by reason of exceptional cost in originating and servicing such mortgages.

"'(d) Any mortgagee under a mortgage insured under this section shall be entitled to the benefits of the insurance as provided in section 204(a) with respect to mortgages insured under section 203. The provisions of subsections (b), (c), (d), (g), (j), and (k) of section 204 shall apply to mortgages insured under this section, except that as applied to those mortgages (1) all references to the "Fund" or "Mutual Mortgage Insurance Fund" shall refer to the "Home Purchase Insurance Fund" established by subsection (e) of this section, and (2) all references "section 203" shall refer to this section. The Secretary, in his discretion, and in accordance with such regulations as he may prescribe, may acquire a mortgage loan that is in default and the security therefor upon payment to the mortgagee in cash or in debentures (as provided in the mortgage insurance contract) of a total amount equal to the unpaid principal balance of the loan plus any accrued interest and any advances approved by the Secretary and made previously by the mortgagee under the provisions of the mortgage, and after the acquisition of any such mortgage by the Secretary, the mortgagee shall have no further rights, liabilities, or obligations with respect to the loan or the security for the loan.

"'There is hereby created a "Home Purchase Insurance Fund" (hereinafter referred to as the "Fund"), which shall be used by the Secretary as a revolving fund for carrying out the provisions of this section. For this purpose the Secretary of the Treasury shall make available to the Secretary such funds as the Secretary shall deem necessary, but not to exceed $10,000,000, which amount is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated. Premium charges, adjusted premium charges, inspection and other fees, service charges, and any other income received by the Secretary under this section, together with all earnings on the assets of the Fund shall be credited to such fund. All payments made pursuant to claims of mortgagees with respect to mortgages insured under this section, cash adjustments, the principal of and interest on debentures issued under this section, expenses incurred in connection with or as a consequence of the acquisition and disposal of property acquired under this section, and all administrative expenses in connection with the operation of this section, shall be paid out of this Fund. There is further authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such funds as may be requested from time to time by the Secretary, to provide assurance of the adequacy of the Fund for carrying out the operations of this section. Moneys in the Fund not needed for current operations under this section shall be deposited with the Treasurer of the United States to the credit of such Fund or invested in bonds or other obligations of, or in bonds or other obligations guaranteed by, the United States. The Secretary may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued under this section. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtained from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

"'(f) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of subsection (c) of this section, including but not limited to, such sums as may be necessary to make payments under contracts as prescribed in such subsection. The aggregate amount of the contracts to make such payments shall not exceed amounts approved in appropriation Acts and payments pursuant to such contracts shall not exceed $30,000,000 per annum prior to July 1, 1968, which maximum dollar amount shall be increased by $20,000,000 on July 1, 1969.'

"SEC. 2. Section 305 of the Federal National Mortgage Association Charter Act is amended by adding thereto the following new subsection:

"'(j) Notwithstanding any other provision of this Act, the Association is authorized to make commitments to purchase and to purchase, service, or sell any mortgages which are insured under section 235 of the National Housing Act. The total amount of such purchases and commitments shall not exceed $200,000,000 outstanding at any one time. The price to be paid by the Association for any mortgage purchased under this subsection shall not be less than the unpaid principal amount thereof at the time of purchase, with adjustments for interest and any comparable items.'"

The summary, relating to Senate bill 2125, is as follows:

SUMMARY OF OPERATION HELP, THE HOUSING EXPERT AND LOAN ACT

The purpose of this legislation is to provide a scheme of assistance to the non-profit sponsor of housing for those of modest means. Federal housing legislation provides special assistance to non-profit sponsors to encourage their entrance into the housing industry. Yet, there are gaps in the federal program which have discouraged potential non-profit sponsors from building or rehabilitating housing.

Too often sponsors do not have the technical know-how to organize and execute a project, nor do they have the financial resources to cover the "packaging" costs of preconstruction activities.

HELP attempts to fill these gaps in two ways: (1) a system of grants to the states to develop technical assistance programs, and (2) a revolving fund at the federal level for advancing money to the non-profit sponsor for costs necessary to develop and prepare the application for federal assistance.

I. This section authorizes $15 million a year, over a two year period, for grants to states to help finance programs of information and technical assistance to non-profit sponsors with respect to construction, rehabilitation and maintenance of law and moderate income housing. The state would submit a plan to the Secretary specifying the extent of the information and assistance functions it would provide. If the state plan was approved by the Secretary, the federal government would pay 90% of the cost of the program for the first two years, and 50% thereafter.

II. This section authorizes a $20 million revolving fund at the federal level to assist the non-profit sponsor in the preliminary costs of planning a project. No interest loans would be made by the Secretary to include such items as: preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, FHA and FNMA fees, and construction loan and fees and discounts.

Definitions—Non-profit sponsors means anybody or agency defined in section 221 (d)(3) of the National Housing Act including cooperatives, and moderate income projects are those that have mortgage insurance under section 221, or loans under sections 202 or 515. These include the low and moderate income programs, direct loan program for the elderly, and direct loan program for rural housing.

The bill (S. 2125) to assist nonprofit sponsors of low- and moderate-income housing, introduced by Mr. MONDALE, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

S. 2125

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing Expert and Loan Program, Operation HELP."

TITLE I

PURPOSE

SEC. 101. It is the purpose of this Title to assist States to make available information, advice and technical assistance to non-profit sponsors with respect to the construction, rehabilitation and maintenance of housing for low- and moderate-income families and individuals.

GRANT AUTHORITY

SEC. 102. (a) The Secretary is authorized to make grants to States to help finance programs to provide information, advice and technical assistance with respect to the construction, rehabilitation and maintenance of low- and moderate-income housing by non-profit sponsors. Activities assisted by such grants may include:

(1) the assembly, correlation, publication and dissemination of all information with respect to the construction, rehabilitation and maintenance of low- and moderate-income housing, and

(2) providing advice and technical assistance with respect to the construction, rehabilitation and maintenance of low- and moderate-income housing.

(b) A program assisted under this Section shall:

(1) Specify the information, advice and technical assistance activities to be carried on, and

(2) Justify the need for and costs of such activities.

AMOUNT OF THE GRANT

SEC. 103. The amount of any grant under this title shall not exceed 90 per centum of the costs of developing and carrying out a State program, as approved by the Secretary, during each of the first two years of the program, and shall not exceed 50 per centum of such costs thereafter.

COOPERATION

SEC. 104. Federal departments and agencies shall cooperate with States in providing information to assist in carrying out the purpose of this title.

APPROPRIATIONS

SEC. 105. (a) There are authorized to be appropriated for the purpose of carrying out the provisions of this title not to exceed $15 million for the fiscal year ending June 30, 1968, and not to exceed $15 million for the fiscal year ending June 30, 1969.

(b) Any amounts appropriated under this section shall remain available until expended; and any amounts authorized for any fiscal year under this section but not appropriated may be appropriated for any succeeding fiscal year commencing prior to July 1, 1969.

TITLE II

PURPOSE

SEC. 201. It is the purpose of this title to encourage and facilitate the construction and rehabilitation of housing to meet the needs of low- and moderate-income families and individuals by making loans to nonprofit sponsors for expenses incurred, prior to construction, in developing and in obtaining financing for low- and moderate-income housing.

LOAN AUTHORITY

SEC. 202. The Secretary is authorized to make loans to nonprofit sponsors for the expenses incurred, prior to construction, in developing and in obtaining financing for low- and moderate-income housing. Loans under this title may be made for the full cost and in obtaining financing for such housing, including, preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, Federal Housing Administration and Federal National Mortgage Association fees, and construction loan fees and discounts. Loans made to any nonprofit sponsor under this section shall be made without interest.

HELP FUND

SEC. 203. All funds allocated under this title shall be deposited in a revolving fund known as the HELP Fund, which shall be used by the Secretary for carrying out the purposes of this title. Sums received in repayment of loans made under this title shall be deposited in such revolving fund. Moneys in this fund not needed for current operation may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

APPROPRIATIONS

SEC. 204. There are authorized to be appropriated for the purpose of carrying out the provisions of this title not to exceed $20 million.

DEFINITIONS

SEC. 205. As used in this Act—

(1) "State" means any State of the United States, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, or an agency or instrumentality designated by the chief executive of any of the foregoing, or a statewide agency or instrumentality of its political subdivisions designated by such chief executive.

(2) "Secretary" means the Secretary of Housing and Urban Development.

(3) "Non-profit sponsor" means any body or agency as defined in Section 221(d)(3) of the National Housing Act of 1949.

(4) "Low- and moderate-income housing" means any project eligible for an insured mortgage under Section 221 of the National Housing Act, or for a loan under Section 202 of the Housing Act of 1959 or Section 515 of the Housing Act of 1949.

AMENDMENT OF FOOD AND AGRICULTURE ACT OF 1965

Mr. COOPER. Mr. President, I introduce, for appropriate reference, an amendment to the Food and Agriculture Act of 1965. Under title VI of that act subtitled "Cropland Adjustment," the Secretary of Agriculture is authorized to enter into agreements with individual farmers to divert part of their acreage from crop production. This fallow land placed under conservation practices has the beneficial effect of controlling surplus production of crops eligible for price support. Section 602(a) provides, in part, as follows:

No agreement shall be entered into under this section concerning land with respect to which the ownership has changed in the three-year period preceding the first year of the agreement period unless the new ownership was acquired by will or succession as the result of the death of the previous owner, or unless the new ownership was acquired prior to January 1, 1965, or under other circumstances which the Secretary determines, and specifies by regulation, will give adequate assurance that such land was not acquired for the purpose of placing it in the program:

I was a member of the Senate Committee on Agriculture at the time this provision was adopted, and recall that it was proposed following some criticism of the program, citing cases in which it appeared that individuals had bought farms and immediately placed them into the conservation reserve, giving the impression that the purchase of the farms was financed through the Government cropland adjustment payments. It was the intention of the provision to prevent such occurrences in the future.

However, the provision as it stands does not take into account occasions where farmowners are displaced and must relocate, when land is taken by an agency having the right of eminent domain. In these cases, the Congress has made provision for the transfer of acreage allotments, and I know it is the intention of the Congress that displaced owners be permitted to reestablish their farm operations on a new farm.

I am informed that cases of this kind have arisen in Kentucky in the course of acquisition by the TVA of the Between-the-Lakes Recreation Area. And Congressman STUBBLEFIELD, who is a member of the House Agriculture Committee, has introduced a similar bill in the House of Representatives.

It seems to me only proper in cases where farms or portions thereof are acquired by agencies having the right of eminent domain, that the displaced owner be permitted to continue to participate in the cropland adjustment program when he acquires a new farm. My amendment would accomplish this, and I hope it is given favorable consideration by the committee, and adopted.

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

The bill (S. 2126) to amend the Food and Agriculture Act of 1965, introduced by Mr. COOPER, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

ASSISTANCE TO CERTAIN PROCESSORS OF COTTON

Mr. BAKER. Mr. President, I introduce, for appropriate reference, a bill to provide assistance to first processors of cotton who have suffered substantial losses because of the economic impact of cotton programs, and for other purposes.

Mr. President, the cotton ginning industry is facing the prospect of a very bleak year. Unusually heavy rainfall in many areas where cotton is grown has turned normally productive fields into quagmires.

But there are other and less capricious reasons for the relatively small crop expected this year. The acreage planted to cotton is the lowest in this century. The July 1 cotton acreage report from the U.S. Department of Agriculture indicates that 9,724,000 acres were planted in cotton this year. This figure is 6 percent less than the acreage planted in cotton in 1966 and is 37 percent below the average acreage planted in cotton between 1961 and 1965.

Because of the heavy rains, when the final estimate of acreage to be harvested is announced next month it is expected that the already record low cotton acreage will be reduced even further.

The present cotton program is, of course, designed to reduce the surplus, and for this reason many acres are diverted from production. Apart from the obvious impact of this diversion program on cotton growers, the reduced yield has a profound effect on first processors, or cotton ginners.

A cotton gin plays a unique role in the lives of many rural Americans. It represents, of course, a substantial capital investment on the part of its ownership, and, as such, its survival depends on adequate ginning receipts. But a cotton gin is often much more than just a ginning operation. In a great many small southern towns it forms the focal point of all life. With its fortunes rise or fall the fortunes and the quality of many lives. When a gin closes down, the farmers it serves must transport their cotton greater distances at greater expense, often to encounter inflexible and unfamiliar credit procedures and operational techniques.

The present situation is creating hardships for ginners and farmers alike; unless extraordinary action is taken, this year's crop could portend serious problems for the entire industry. The very serious financial plight of some cotton ginners caused by a series of small crops has closed many of the normal avenues of commercial credit.

For these reasons, Mr. President, I introduce this bill, which would provide for low-interest emergency loans to cotton ginners who are unable to obtain sufficient credit elsewhere at reasonable rates and terms. Determination of need would be left to the discretion of the Secretary of Agriculture.

A virtually identical bill has been introduced in the House of Representatives by ROBERT A. EVERETT, of Tennessee, and I am pleased to introduce a companion measure in the Senate and join with Congressman EVERETT's efforts to secure this much-needed relief.

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

The bill (S. 2127) to provide assistance to first processors of cotton who have suffered substantial losses because of the economic impact of cotton programs of the Department of Agriculture, and for other purposes, introduced by Mr. BAKER, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

REPEAL OF EQUAL-TIME PROVISIONS

Mr. HARTKE. Mr. President, I am introducing today a very simple bill, one which reads in its entirety as follows:

That section 315 of the Communications Act of 1934 (47 U.S.C. 315) is repealed.

Mr. President, a law that has to be changed often or suspended periodically is an unjust and unworkable law. That this section does not do the job for which it was intended has long been recognized by the Congress. The operation of section 315, at best, is predicated on the mistaken notion that a Government agency is better able to judge news and public affairs, is better able to judge and insure fairness, than anyone else. It is for these reasons that I propose its repeal.

The provisions of section 315, enacted in the Communications Act of 1934, go back to the Radio Act of 1927, in which section 18 provided that if a radio station licensee permits a candidate for public office to use a broadcasting station, he was required to afford equal opportunities to all other candidates for that office. The intent of the legislation, as FCC Commissioner Frederick W. Ford stated in a 1963 House hearing, was, and I quote, "to put it beyond the power of a licensee to determine which legally qualified candidate for a particular office should be heard on radio, once the station had permitted one candidate for that same office to use its facilities."

It was out of a 1949 policy statement of the FCC, in Docket No. 8516, that the so-called fairness doctrine grew. At its heart, and based on the 1934 act in which section 315 was very nearly identical to the earlier Radio Act, was the statement that "broadcast licensees have an affirmative duty generally to encourage and implement the broadcast of all sides of controversial public issues over their facilities, over and beyond their obligation to make available on demand opportunities for the expression of opposing views."

In order to do so, said the Commission, the licensee must play "a conscious and positive role in bringing about balanced presentation of the opposing viewpoints." The conclusion in the case was that broadcast stations might editorialize, but that in doing so they must assure fairness in their presentations.

We have since then, succeeded in exempting news broadcasts, discussions, and news documentaries from the equal time provisions. They are, of course, covered now under the fairness doctrine. Again, in 1960, the equal time provisions of section 315 were exempted by congressional amendment specifically for the period of the 1960 presidential and vice-presidential campaigns. These revisions resulted directly from bills I introduced to ease restrictions on campaign coverage by radio and TV.

Mr. President, the only real criterion for licensing of broadcast stations is their operation in the public interest. There is a limited spectrum of airwaves, and governmental control over licensing is the only way in which they can be allocated with any equity. This established system deals with the right to broadcast, not with the right to tell broadcasters what should be the content of their broadcasting. Where we move into that area of Government regulation of content, we approach the question of censorship.

We have historically upheld the freedom of the press, and the difference between newspaper journalism and electronic journalism is essentially only in the format and the mechanics, not in the basic concepts. Radio and television have come of age, and the journalism of radio and television is as responsible as that of the press. It should be no more hampered by the welter of rules and regulations surrounding the FCC interpretations of section 315 than should the journalism of print.

Mr. President, the way to clarify the situation which we will again face in election time, the confusion which has been recurrent in the effort to apply the provisions of section 315, is to repeal that section and to place the responsibility for electronic freedom on a par with that of freedom of the press. We can trust the responsibility of broadcasters to maintain the standards expected of them in the public interest, but if there is a serious abuse, we have a remedy—the power of the Federal Communications Commission to review the degree of public service and the manner of operation in the public interest when licensees seek renewal of their right to be allocated a place on the air in the broadcast band.

To repeal section 315 is not to repeal the obligations of the fairness doctrine. During the suspension of the 1960 campaign the operations of the broadcast industry were carried out with a high degree of fairness, as has been pointed out in several studies since that occasion. The Federal Communications Commission report of March 1, 1961, pointed out that—

By and large, networks and stations exercised considerable care and succeeded in providing virtual equality in sustaining time as between the presidential and vice presidential candidates of the two major parties.

The President's Commission on Campaign Costs, issued in April 1962, recommended that section 315 be suspended again for the 1964 election campaign.

As I said earlier, Mr. President, a law that has to be changed often or suspended periodically is an unjust and unworkable law. We do not need the provisions of section 315, which cause such difficulties for all those concerned in its interpretation and the development of practice under its restrictions. We need the freedom of electronic journalism which its repeal will insure on a permanent basis. We need, in short, to make the change my bill proposes, the deletion of section 315 from the law.

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

The bill (S. 2128) to repeal section 315 of the Communications Act of 1934 relating to the affording of equal time for use of broadcasting stations by candidates for public office, introduced by Mr. HARTKE, was received, read twice by its title, and referred to the Committee on Commerce.

PRINTING OF REVIEW OF REPORTS ON SALEM CHURCH RESERVOIR, RAPPAHANNOCK RIVER, VA. (S. DOC. NO. 37)

Mr. MANSFIELD. Mr. President, on behalf of the Senator from West Virginia [Mr. RANDOLPH], I present a letter from the Secretary of the Army, transmitting a report dated February 28, 1967, from the Chief of Engineers, Department of the Army, together with accompanying papers and an illustration, on a review of the reports on Salem Church Reservoir, Rappahannock River, Va., requested by a resolution of the Committee on Public Works, U.S. Senate.

I ask unanimous consent that the report be printed as a Senate document with an illustration, and referred to the Committee on Public Works.

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

ADDITIONAL COSPONSORS OF BILLS

Mr. KUCHEL. Mr. President, I ask unanimous consent that, at its next printing, the name of the junior Senator from Idaho [Mr. JORDAN] be added as a cosponsor of S. 1991, to amend the Internal Revenue Code of 1954 with respect to the estate tax treatment of certain interests created by community property laws in employees' trusts and retirement annuity contracts.

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

Mr. JAVITS. Mr. President, with the permission of the sponsors of the bill, I ask unanimous consent that my name may be added as a cosponsor of S. 1400, introduced by the Senator from Florida [Mr. SMATHERS] and the Senator from California [Mr. KUCHEL] relating to improvement of statistics of the United States, providing for a special census in 1968 and 1975.

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

Mr. MANSFIELD. Mr. President, on behalf of the senior Senator from Washington [Mr. MAGNUSON], I ask unanimous consent that, at the next printing of the bill (S. 1934), the Electric Power Reliability Act of 1967, the name of the Senator from Pennsylvania [Mr. CLARK] be added as a cosponsor.

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

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from New York [Mr. KENNEDY], I ask unanimous consent that, at the next printing of the bill (S. 2088) to provide incentives for the creation by private industry of additional employment opportunities for residents of urban poverty areas, the name of the Senator from Wyoming [Mr. MCGEE] be added as a cosponsor.

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

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from New York [Mr. KENNEDY], I ask unanimous consent that, at the next printing of the bill (S. 2100) to encourage and assist private enterprise to provide adequate housing in urban poverty areas for low-income and lower middle income per-

sons, the name of the Senator from Washington [Mr. JACKSON] be added as a cosponsor.

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

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from Alaska [Mr. GRUENING], I ask unanimous consent that, at the next printing of the bill (S. 1985) to amend the Federal Flood Insurance Act of 1956, to provide for a national program of flood insurance, and for other purposes, his name be added as a cosponsor.

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

NOTICE OF HEARINGS ON SURFACE MINING COAL BILL

Mr. JACKSON. Mr. President, on behalf of the Interior Committee which is the unit of the Senate that has overall responsibility under the Legislative Reorganization Act for mines and mining generally, I announce that hearings have been scheduled by the Subcommittee on Minerals, Materials, and Fuels for August 7, a Monday, on S. 217, cited as "the Mined Lands Conservation Act." S. 217 was introduced by Senator LAUSCHE, for himself and Senators BARTLETT, FULBRIGHT, KUCHEL, METCALF, NELSON, SCOTT, TYDINGS, and YOUNG of Ohio.

The measure provides for participation by the Federal Government with State and local governments and other interested parties in programs to reclaim lands and waters damaged by coal mining, to promote an effective continuing land-use program, and to prevent further damage to our lands and waters resulting from surface, or strip, mining.

Senator LAUSCHE's S. 217 is a successor bill to his S. 1013 of the 88th Congress on which the Interior Committee held public hearings on March 25, 1964. Action on the substance of these measures has awaited the study, with findings and recommendations, of the Secretary of the Interior on surface mining. A report on this study was submitted to Congress by President Johnson on July 3, 1967. There is substantial agreement between Secretary Udall's findings and recommendations and the provisions of S. 217.

All Members of Congress and others interested in reclamation of mined lands as well as in mineral production from surface mining methods are invited to participate in the Minerals Subcommittees' hearings, which will be held in room 3110 of the New Senate Office Building, commencing at 10 a.m.

NOTICE OF HEARINGS IN DETROIT ON EARLY RETIREMENT

Mr. MONDALE. Mr. President, as chairman of the Subcommittee on Retirement and the Individual of the U.S. Senate Special Committee on Aging, I would like to announce that the subcommittee will conduct a hearing in Detroit, Mich., beginning at 1 p.m. on July 26 in the main auditorium of the Rackham Building, Detroit, Mich.

The subject of this hearing will be early retirement and its effect upon the individual and upon society. We will hear from many authoritative witnesses including representaitves of the United Auto Workers and several knowledgeable persons who will participate at the University of Michigan annual conference on aging, which will conclude at 11 a.m. on July 26.

Their testimony will enable the subcommittee to build upon the fine foundation made by Secretary Gardner and other witnesses at our introductory hearing on June 7 and 8 in Washington, D.C.

HEARINGS SET FOR NEW YORK CITY ON BILINGUAL AMERICAN EDUCATION BILL

Mr. YARBOROUGH. Mr. President, I would like to announce that a date has been set for bilingual education hearings in New York City for July 21, 1967, this coming Friday.

The purpose of the hearing is to hear public testimony from the Spanish-speaking community of New York. We have already heard testimony in Texas and California, and this hearing will give us information from the last of the three States which have the largest Spanish-speaking populations in the Nation.

Both Senators from New York are cosponsors of this bill, in recognition of the need for programs of bilingual education in the Nation's largest city, as well as in our Southwest. This series of hearings has crossed the Nation in gathering of testimony, just as the need for special educational techniques in treating with the language problem crosses our Nation today.

NOTIFICATION OF HEARINGS OF THE EDUCATION SUBCOMMITTEE ON S. 1125, THE ELEMENTARY AND SECONDARY EDUCATION AMENDMENTS OF 1967, AND RELATED BILLS

Mr. MORSE. Mr. President, I wish to announce that the Education Subcommittee of the Senate Committee on Labor and Public Welfare will conduct further hearings upon S. 1125, the Elementary and Secondary Education Amendments of 1967, and upon H.R. 7819, the House-passed companion measure, on Tuesday, July 25 at 10 a.m. in room 4232, New Senate Office Building.

It is our intention on the 25th to obtain testimony from administration witnesses, including Secretary Gardner. Because of the interest in the actions which have taken place in this area, the hearings will continue on July 26, again with administration witnesses.

Following these 2 days of hearings, the subcommittee will be in recess to permit administration testimony to be reviewed by the members and interested educational organizations.

It is my hope that the hearings will resume on Monday, August 7, and will continue in that week on the 9th, 10th, and 11th. All representatives of educational organizations and interested individuals who have a desire to present testimony on these major bills, if they have not already done so, are urged to communicate this interest to the subcommittee by addressing a letter to the subcommittee at room 4230, New Senate Office Building, in which they request an opportunity to present either an oral or written statement and in which they indicate the particular areas of the bills which are of concern.

Since it is the hope of the subcommittee to be able to report a measure covering all amendments to the Elementary and Secondary Education Act to the full committee at an early date, the subcommittee will be pleased to receive testimony on such other bills in this area as are pending before the subcommittee at this time in the elementary and secondary education area. I mention this because I know a number of my colleagues are concerned about modifications to impacted area legislation and its further extension.

NOTICE OF HEARINGS ON SENATE BILL 843

Mr. HARRIS. Mr. President, as chairman of the Subcommittee on Government Research of the Senate Committee on Government Operations, I wish to announce that the subcommittee will conduct hearings on S. 843, by Senator MONDALE, and others, a bill to create a Council of Social Advisors, provide for an annual social report of the President and establish a Joint Committee on the Social Report, at 10 a.m. on July 19 and 20 in room 224, Old Senate Office Building, and at 10 a.m. on July 26 and 27 in room 1318, New Senate Office Building.

FLOOD PROTECTION

Mr. CARLSON. Mr. President, recent flood waters in Kansas, Nebraska, and Missouri have caused millions of dollars of damage, but this damage was greatly minimized because of the flood protection works that have been built in the last few years.

Beginning with a reservoir program that was authorized by Congress in 1936, great progress has been made in the control of water runoff in our State. For years I have stated that the future growth and development of our State will be determined largely by the amount of water we can conserve and use for beneficial purposes.

As one who has supported these programs from their inception, I am gratified at the benefits that are now prevalent.

These projects have been constructed by the Corps of Army Engineers, the Bureau of Reclamation, and the Department of Agriculture, through their watershed programs.

We are fortunate in Kansas to have a coordinated program for the control of water runoff and it is paying big dividends.

Col. W. G. Kratz, district engineer of the Kansas City district, Corps of Engineers, has just sent me a summary tabulation for the June-July floods in the Kansas City district, showing the estimated acres flooded, flood damage, damage prevention by existing projects, and flood damage which could have been prevented if the authorized program had been entirely completed. I ask unanimous consent that the report on Kansas

be printed in the RECORD, as well as an editorial from a recent issue of the Kansas City Star, entitled "Some Changes in Flood Damage Since 1951," and an editorial from the Independence Daily Reporter, entitled "A Faithful Servant," be made a part of my remarks.

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

[From Department of the Army, Kansas City District, Corps of Engineers, Kansas City, Mo., July 12, 1967]

PRELIMINARY JUNE–EARLY JULY 1967 FLOOD DAMAGE SUMMARY

TABLE 1.—*Area flooded, flood damage, damage prevented by existing Federal projects, and additional damage preventable by authorized projects*

River basin and State	Flooded area (acres)	Estimated actual damage	Estimated damage prevented	Estimated additional damages preventable by authorized projects
Kansas:				
Kansas River	25,500	$1,000,000	$5,530,000	$482,000
Republican River	24,000	830,000	83,000	220,000
Smoky Hill River	5,200	120,000	39,000	84,000
Big Blue River	4,000	140,000	32,000	
Marais des Cygnes	132,300	10,490,000	1,857,000	3,332,000
Subtotal, Kansas	191,000	12,580,000	7,541,000	4,118,000

TABLE 2.—*Damages prevented by existing Federal projects in Kansas City district*

Missouri River main stem reservoir system	$235,280,000
Missouri River levee system (rural)	8,060,000
Kansas Citys levees	260,270,000
Topeka, Kans., levees	3,322,000
Stonehouse Creek project	10,000
Stranger Creek channel improvement	37,000
Ottawa, Kans., levee	760,000
Salina, Kans., levee	13,000
Frankfort, Kans., levee	32,000
Manhattan, Kans., levee	4,000
Norton Reservoir	885,000
Milford Reservoir	8,423,000
Cedar Bluff Reservoir	42,000
Kanopolis Reservoir	$2,104,000
Wilson Reservoir	192,000
Webster Reservoir	85,000
Kirwin Reservoir	191,000
Tuttle Creek Reservoir	17,490,000
Perry Reservoir	10,438,000
Pomona Reservoir	1,416,000

[From the Kansas City Star]

SOME CHANGES IN FLOOD DANGER SINCE 1951

The serious flooding that has already occurred in this area inevitably turns concerned thoughts to the billion-dollar Kaw river tragedy of 1951. Certainly we are not out of the woods yet, and additional damage is probable before the flooding ends.

But there are, fortunately, two important differences between 1951 and now. The weather pattern is one: In 1951, a stable front over this area dumped rain almost nightly for 40 days before the flood deluge. What we have been getting recently is more a series of rain-triggering fronts, the weather bureau explains. It may seem that it has rained every night, but there have been significant breaks in the storm sequence. And this type of pattern is more likely to break up at any time, bringing dry relief. "More likely" we say, knowing how perverse weather can be when a change is urgently needed.

The second and much more tangible factor is the existence of numerous flood protection reservoirs and levees which were not in place in 1951. Such dams as Tuttle Creek, Milford and Perry—the latter not yet completed—have performed heroically in trapping hundreds of thousands of acre-feet of rushing floodwaters.

In unprotected areas, damages are estimated by the Army engineers to have reached more than 23½ million dollars with the cost still rising. But the corps figures that an additional 190 million dollars in flood damages would have occurred without any protection projects in place. This is an enormous and, to be sure, hypothetical figure. With this area's flood history, it would be unthinkable to have no projects built by now. And many industries and homes would not now be located on flood plain land except for the protection of dams and levees. Still, this is a rough measure of where we would be without those projects—and a reminder of the importance of getting on with others proposed but not yet built.

Storms such as we have been having are going to flood basements and yards and block streets, causing some local damage. No project can stop this. But a design plan of tributary reservoir storage, plus levees to pass the remaining flow safely past high-value municipal and industrial areas, can handle the cumulative superflood rolling down a major stream.

Missouri river bottomland farmers already have been badly hurt by this flood. Their small local levees couldn't contain the Big Muddy on the rampage. Certainly the 400,000 acres under water along the Missouri reemphasize the value of the big federal agricultural levees, only a few of which have been built from Sioux City to the mouth. This program has been delayed too long by doubts and surveys.

The list of streams now flooding where the reservoirs still are on paper makes sad reading: The Wakarusa (Clinton dam), the Grand (Pattonsburg and others), the Marmaton (Fort Scott), Hottawatomie creek (Garnett) and so on. Back in Washington the House public works committee is preparing to report out the public works appropriations bill. The June floods in Missouri and Kansas—and they're not over yet—should provide them a healthy reminder that, for all the burdens on the federal budget, flood protection still rates a high priority.

[From the Independence Daily Reporter, June 20, 1967]

A FAITHFUL SERVANT

Elk City Reservoir, the huge flood control and water conservation area located just northwest of Independence, is finally in full operation and doing the job for which it was designed.

Within the past ten days it has harnessed the flood water of Elk River, saved thousands of acres of rich farm land from devastation by water and at the same time reached a level where water enthusiasts and fishermen can use it to the fullest extent.

Of all these services the one with the real dollar impact is the averting of the floods that almost yearly swept down the Verdigris and Elk River valleys sweeping crops, homes and other properties before them.

There's no direct estimate of the damage that might have happened had it not been for the reservoir in the last several days, but it's certain the amount would run into the thousands of dollars. Harvest season was just underway, corn and other row crops were growing and would have been greatly damaged by the overflow that didn't happen this time.

As a recreation ground the area is just coming into its own. On Saturday and Sunday more than 11,000 persons visited, picnicked, boated, fished and just had good clean and safe fun. The picnic areas were crowded with family groups and visitors from outside the area had nothing but praise for the facilities.

Now that the Corps of Engineers have the reservoir operating efficiently, it's up to the public to do its part in helping keep down vandalism damaging equipment and seeing that refuse is picked up and placed in the containers that dot the entire area.

Although operated by the engineers this reservoir and surrounding grounds belong to the taxpayers. Tax monies by the millions were used to make it possible, so the public that's now free to use it must be good housekeepers and keep it as attractive as possible.

Independence and the area cities have something in Elk City Reservoir to be proud of and how it is treated will depend greatly on just how much of a benefit it will be to the local economy. It deserves tender, loving and thoughtful care.

FINANCING OF POLITICAL CAMPAIGNS

Mr. HART. Mr. President, a former colleague of ours in Congress, a Representative at Large from the State of Michigan in the 88th Congress, who is now our Democratic national committeeman, served on the President's Commission on Campaign Costs. He is Neil Staebler, who has been active in politics and brings to it a businessman's background.

Mr. Staebler has advised me of a communication he sent to the chairman of the Committee on Finance [Mr. LONG] under recent date. Neil Staebler's statement makes reference to the problem of financing political campaigns. I think it would be worthwhile if this statement were made a part of the RECORD, and I ask unanimous consent that it be printed at the conclusion of my remarks.

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

STATEMENT OF THE FINANCING OF POLITICAL CAMPAIGNS, JUNE 27, 1967

The problem of political campaign financing arises out of the rapidly escalating costs of the types of publicity: newspapers, radio, television.

If a solution were found to the problem of dealing with these three types of expenditures, all other costs could be ignored and all other filing provisions dispensed with.

There are four alternative ways of dealing with these types of expenditures:

(1) The federal government might provide them in limited amount, as in some foreign countries.

(2) Radio and television might be required to provide a certain amount of free time; newspaper advertising might be subject to a limitation but defrayed from ordinary contributions as at present.

(3) A limit might be placed upon the amount that might be expended in gross in all three media, the payment to be met from political contributions as at present.

(4) Alternatives (3) might be combined with a credit or income deduction or both against federal income taxes.

Let me enlarge on proposal (3), the establishment of federal limits on expenditures in a presidential campaign in newspapers, radio, and TV.

How would such a limitation operate? The candidate would be required to designate a campaign treasurer and the treasurer would be assigned the responsibility for observing the expenditure limitation. Before any newspaper, radio, or TV advertisement containing the names of the presidential candidates or references to the presidential ticket or electors was published, the medium would be required to secure from the candidate's treasurer an authorization in the amount of the advertisement. Payment might come from anywhere. Limitations as to source could be dispensed with. Only the candidate's authorization would count.

In the event that any medium carried an advertisement without authorization from the appropriate treasurer, it would be subject to fine. In the event that the treasurer issued authorizations in excess of the maximum, the penalty would take the form of the loss of electoral votes in those States where excess authorizations were issued.

NEIL STAEBLER.

POLICEMAN OF THE YEAR, FIREMAN OF THE YEAR IN ANAHEIM, CALIF.

Mr. KUCHEL. Mr. President, on Friday, June 23, 1967, I was pleased, by long distance telephone, to address Post 72 of the American Legion in my hometown of Anaheim, Calif. The occasion was a banquet honoring the city's Policeman of the Year, Capt. Russell E. Hamlyn, and Fireman of the Year, Capt. Rayford D. Knight. Both of these outstanding citizens received American Legion Medals of Merit and individual citations at the banquet. The event was Post 72's contribution to a national program of the American Legion to bolster respect for law and order by recognizing the accomplishments of local law enforcement personnel.

I ask unanimous consent that a partial text of my remarks be printed in the RECORD at this point.

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

POLICEMAN OF THE YEAR, FIREMAN OF THE YEAR IN THE CITY OF ANAHEIM

(Partial text of remarks by U.S. Senator Thomas H. Kuchel before the American Legion, Anaheim Post 72, Anaheim, Calif., June 23, 1967)

Anaheim is my home.

I am honored to speak on this occasion as a member of Anaheim Post 72, honoring the Policeman of the Year and the Fireman of the Year in our community. It is the wish of the National Commander of the Legion that Law and Order be stressed by the posts across the country, and that wish is readily echoed by all good citizens everywhere.

Winston Churchill once said that Democracy is the worst form of government ever devised by man—except every other form of government ever devised by man. So, with all its faults, it still is the best kind of society for human beings, simply because, in a democracy, the citizens are free to make their own decisions and to live their own lives.

The freedoms we enjoy under the guarantees of our American Constitution, are founded and grounded on respect for law and on the maintenance of order. Our form of self-government is the most difficult kind of any organized society to carry on. It requires far greater duties of citizenship than simply blind obeisance to the state. The many decide rather than the few. This "democracy in a republic," as the American Creed describes us, requires a great amount of self-discipline. Freedom is costly, in that, to win it and to keep it, requires the very best we have to give. Right and responsibility walk hand in hand in a free nation. In a police state, in a society ruled by monolithic communism, the so-called duties or responsibilities of citizenship are set forth by the ruling clique, so much, maybe less, but certainly no more. And there are no rights, except as the state may determine. There is no free citizen, as we know that term, in any closed society, communist or otherwise. Self-discipline in our way of life is replaced by the enforced discipline of any totalitarian land. And thus the problem of respect for law and order rests on physical force, or the threat of force, in all lands which are not free. You obey the rules or else. Law enforcement in any closed society is an entirely different function than that in any open society. In free nations, law enforcement people serve the good of society. In totalitarian states, they serve the regime in power.

What we do tonight is to pay deserved tribute to two fellow citizens, each a servant of the people of this city, each nominated for the dedication to the public service which he has demonstrated this past year. The men we honor represent, in a true sense, the thousands, and tens of thousands of policemen and firemen and civil servants, all devoted to protecting the welfare of the people. But it is equally true that we honor these two men because they have proudly accepted, and have successfully met, the challenge of good citizenship.

As a citizen of this city, I join with all your neighbors and friends, Captain Hamlyn and Captain Knight, in congratulating you on receipt of these awards. You both represent law and order in the American tradition. You are the people's servants in the best sense of those words. You both represent the desire of every American city to provide for the protection of her population from the equal plagues of lawlessness and fire.

But I should like also to join the members of this Post and our fellow citizens in congratulating our city on the quality of our municipal government and, particularly, for this evening's civic function, in saluting the quality of law enforcement and of fire protection of our city. This is the very goal of the quest for social stability—to provide protection which can put down the enemies of society and which is, at the same time, responsive to the public will.

The efforts of Anaheim, and of other American cities, to maintain law and order among free citizens are the true measure of our attempts to achieve a rule of law on a broader scale throughout the world. For war and armed conflict between nations represent the complete breakdown of law and order and the replacement of right and justice by might and force of arms.

Democracy was born in the city states of Greece, in small meetings where men of all walks of life could come together to resolve the ancient issues of order versus anarchy, and of freedom versus tyranny. And still today a free and orderly society must be built from the ground up. If it has no firm roots in the cities, it will founder in the nation. And if the nations of the world, or any important segment of them, are not truly representative of the will of their societies, there can be no world order, no rule of law, no just or lasting peace.

It is a far reach from the daily affairs of Anaheim to the deserts of Sinai or the jungles of Vietnam. But the truth encompasses all three of them. And the shrunken world neighborhood includes all of them. If the Arab nations were possessed of a rational social order, the threat of conflict with Israel would long ago have been dissolved in the common interest of peaceful commerce and trade, and in the advance in culture for every state in the Near East. If 13 years ago the government of Vietnam, North and South, had found its base in the public will of the Vietnamese people, American men would not have to be fighting there today.

Law and order are the lynchpin of that complicated mechanism we call "civilization." We seek to perfect it at all levels of government in our own land, and, as the threat of global holocaust refuses to vanish, to extend it to the community of nations. Twenty years ago, when the world, in a rare moment of concensus, decided that it could not afford another war, there came forward two ideas for the peaceful protection of human rights and public order—the working principle of collective security and the concept of a United Nations. The United States has actively pursued both of these aspirations. For the people of the United States passionately believe in peace and unreservedly oppose aggression. The former—collective security—what the late Arthur Vandenberg called "the town meeting of the world"—has done far better than the latter. In Western Europe, through the NATO Alliance, an effective means was found to put an end to a new round of international banditry. Communist minorities, with the aid of Soviet troops, all under the direction of Stalin, had seized control of Poland, Czechoslovakia and most all the rest of Eastern Europe. The joint and determined opposition of the western democracies, with the firm and generous backing of the United States, put down this threat. History will record that collective security in Western Europe served a high and successful purpose.

We are now engaged with smaller and less affluent allies in Southeast Asia in a heroic effort to prevent the communist theft of South Vietnam. In Asia, the challenge of so-called "Wars of National Liberation" poses a more sophisticated threat and places a heavy tax on the resources of the United States. But the operation remains the same: a joint effort to preserve human rights and to maintain and establish a social order which reflects the public weal.

Tragically, an international agreement ratified by the United Nations to protect the innocent rights of peaceful maritime passage against international brigands has not been so honored. In October 1956, the United Nations Security Council unanimously, with the full consent of the government of Egypt, agreed to free and open transit of the Suez Canal by ships of all nations. That solemn commitment to international law and order was made a mockery by the Nasser regime. And it was a contemptible mockery, too, when, but a few weeks ago, the same Nasser announced that the Gulf of Aqaba would not be open any longer to peaceful international shipping. That, too, was a repudiation of law and contract, about which, incidentally, the incumbent Secretary General of the United Nations did nothing.

Clearly, the hopes for world order have been sustained more effectively by our collective security arrangements, than by the efforts of the United Nations. Much as we need a community of interest among all peace loving nations, we can say that such a community is not yet here. Like some unfortunate individual families, the family of nations still has some evil members.

In the aftermath of the Second World War, collective security became the watchword of our foreign policy on the theory that those countries who did desire peace would stand together against aggression. It was endorsed

enthusiastically by both of our political parties and by each of our Presidents. It was, and is, a good theory, and it has proved itself in practice. Meanwhile, a lush growth of a thousand petty disputes begins to thrive in a jungle of selfish nationalism.

Today, we in the United States seem caught between "going it alone" or attempting to pull behind our vast oceans in a vain hope that they might again protect us. Nationalism in some western nations has weakened the ideal of collective security. But it remains the world's best hope. Peace is best pursued by nations working in concert. I think the Congress recognized this last year when it unanimously supported a resolution calling for no increased proliferation of nuclear weapons. It went further earlier this year when it unanimously ratified a treaty banning nuclear weapons in outer space.

Today's world possesses all of the challenge and all of the peril of discovery. The United States is going to have to test every aspect of her relationships in this unfolding globe. We will have to take our bearings and find the high road to follow. Our nation, founded on law and order, seeks a rule of justice for all the world—a world where nations will recognize the rights of their neighbors, where they will accept the futility of global conflict, and will uphold the manifest advantages of settlement of disputes by peaceful and just means. This search of the rule of law is as valid in international affairs as it is in Mississippi, Beverly Hills or Watts.

The chief characteristic of today's world is its growing lack of form and cohesion. There is little certainty. There are many surprises. In France, a proud and self-confident De Gaulle suddenly finds that he must rule with a parliamentary majority of one vote. Mighty Britain, once the prime tradesman of Europe, is yet to be admitted to the Common Market.

The rulers of Communist Rumania, with a rare taste for the bizarre, have ordered an air-conditioned $50,000 Rolls Royce, complete with television, intercom, and wine cooler, to carry their Chief of State—a capitalist's dream-come-true for the leader of the workers' revolution. The daughter of communism's cruelest dictator, Josef Stalin, has confessed a belief in God and asks refuge in the United States.

Many old problems, of course, remain. I have no doubt that the Kremlin's leaders still dream of a "World Revolution" in which our way of life would be destroyed. I rather think they also see in their dreams the nightmare of nuclear warfare, emanating possibly, from the land of their Chinese neighbor, in which Soviet cities, and God forbid, other cities and nations could be utterly devastated in a matter of an hour or two. Well might they remember the warning of President Eisenhower:

"Ours is a world of growing danger. There is a danger of surprise attack prepared in secret. There is the danger of nuclear attack from outer space. There is the menace of constantly mounting stockpiles of nuclear weapons and of large armies. There is the peril of spreading capability for the production of modern weapons to greater numbers of nations. There is the hazard of war by accident or miscalculation. We hold these dangers must be dealt with now."

President Eisenhower uttered this remarkably prescient statement seven years ago. How far have we come since? How much more deadly or unerring, or how much larger in number, are nuclear weapons today? By contrast, how little progress has been made in bringing reason, and the rule of law, to the councils of men? The fact is that the United States is today not only the most powerful military nation in the world, but the most powerful in the history of civilization, and yet—the supreme paradox—we are more vulnerable today than ever before. It appears that science has unlocked some of the more ominous secrets of the universe at a far faster rate than the growth and improvement of human virtue.

We go forward today trusting to our deep faith that these threats can, and will be, overcome. World security today is almost entirely dependent on the joint determination of independent nations to resist international lawlessness, brigandage, theft and subversion. The principle of collective security, depending on the free association of sovereign nations, is a real manifestation of the rule of law in world society—the forces of order, peace, justice and freedom united for common good.

This simple idea of joint action among free men has been the touchstone of our own American system. The government of our cities, of our 50 states and of our federal union depend on the cooperation of free men joining together in the common public interest—to stop theft, to maintain the rights of safe and innocent passage through our streets, to fight fire, flood and pestilence.

I do not stand before you as one who would recommend that all nations adopt our splendid American institutions. But I do contend that the best hope of mankind for peace and freedom lies in the political experience of our nation. This genius of our own American institutions, as it has unlocked the dynamic spirits of free men and women, has created the greatest example of social architecture in human history. And that edifice is founded on the rock of liberty, on a sense of justice and on unyielding respect for the rule of law. We put our faith in that foundation.

The defense of our society, whether against foreign aggression or domestic peril, is the highest obligation of citizenship. The duty cannot be discharged without a full measure of faith in our American system. It is this belief which ties all together, keeping our nation whole. The two fine men we honor here this evening have shown the way, through their contributions, to greater service to our community and nation. Let us celebrate their achievement with these words from William Tyler Page's American Creed:

"I believe in the United States of America as a government of the people, by the people, for the people; whose just powers are derived from the consent of the governed; a democracy in a republic, a sovereign nation of many sovereign states; a perfect union, one and inseparable, established upon those principles of freedom, equality, justice, and humanity for which American patriots sacrifice their lives and fortunes.

"I therefore believe it is my duty to my country to love it; to support its constitution; to obey its laws; to respect its flag; and to defend it against all enemies."

SALUTE TO WILLIAM HANNA AND JOSEPH BARBERA

Mr. KUCHEL. Mr. President, the stresses of the era through which the world is passing may sometimes be relieved by fanciful diversion from worrisome events. From time to time every human being needs and relishes escape from realities and responsibilities.

The present month marks the 10th anniversary of successful endeavor by an enterprise based in my State of California which has contributed materially to the happiness and relaxation of countless individuals with a unique form of entertainment. Recently the firm of Hanna-Barbera Productions, Inc., marked this event with the knowledge a succession of animated cartoon motion pictures and television programs has brightened existence for innumerable viewers around the globe, even beyond the Iron Curtain.

William Hanna and Joseph Barbera have enjoyed satisfaction of coveted awards for their product. They are secure in knowledge that boldness in launching a new venture was justified. Their achievements include unforgettable characters, "Yogi Bear" and "Huckleberry Hound," and such televised series as "The Flintstones," and the widely applauded "Jack and the Beanstalk." Additionally they have gained a place of stature in operating one of the top companies turning out recordings for children and have developed diversification with industrial films.

The 10-year history of Hanna-Barbera Productions is truly a success story denoting exercise of originality and initiative to pioneer with a novel form of expression. On this occasion, it is a privilege to congratulate this organization, its founders, and all engaged in its operations for efforts which have delighted not only children but also their elders who find occasional exposure to fantasy a refreshing release from tension.

THE AMERICAN BARD

Mr. KUCHEL. Mr. President, since the evolution of written expression mankind has given voice to a full range of emotions through the medium of poetry. Doubtless there is not a single one among us who cannot recall and repeat some bit of verse learned at a remarkably early stage of life.

Poets often have been unappreciated, to the extent they frequently encounter obstacles in making others aware of their sentiments, philosophies, moods, and reflections.

The arrival of 1968 will denote completion of a half century of rewarding service in the field of cultural advancement by a publication issued for much of its existence in my native State of California. I wish to call attention to the forthcoming golden anniversary of the American Bard, the second-oldest poetry magazine in the Nation.

Since its founding in New Jersey in 1918, this publication has gained stature and respect for literary excellence under the guidance of only three editors. During the past decade, its direction has been the responsibility of a top-ranked California author of highly regarded poetry, Edythe Hope Genee, who has the assistance of a staff sharing deep feeling for beauty and adhering to highest ideals of literary excellence.

The American Bard has been the vehicle by which a long line of eminent poets gained recognition and enjoys the distinction of having discovered many who found it the first outlet for their compositions.

I am confident I voice the sentiment of all who enjoy poetry when I congratulate this publication and those conducting it for rounding out 50 years of faithful adherence to admirable principles of literary quality.

MINIMUM WAGE LAW—ANNUAL INCOME EXEMPTION FOR SMALL BUSINESSES

Mr. PROUTY. Mr. President, it will be recalled that last September I unsuccessfully attempted to have the minimum

wage bill returned to conference with instructions that the Senate conferees insist on retaining a $350,000 annual income exemption for small business enterprises to become effective in 1969.

At that time, businesses with annual sales of less than $1 million were exempt from coverage. Under the legislation which we passed last fall, this exemption dropped to $500,000 in February of this year and will automatically be lowered to $250,000 in 1969.

During the debate on this subject, I made the following statement on the Senate floor:

> Small business has grown into large business—that is, men with initiative and courage, willing to run risks, have made a profit for themselves, yes; but they have put an awful lot of people to work. Many of the people employed in small business today are young people without any training, without any skills, and could not get a job if the wage level were increased beyond their productive capacity. Many elderly, retired people are able to supplement their meager incomes, even though they are not physically, perhaps, able to do a full day's work. We will be putting a lot of people who can earn something out of work, unless we take care of these small business problems.

Mr. President, this is the type of situation which gives me no satisfaction in pointing out that my predictions were correct. The National Federation of Independent Business recently completed a poll of 40,000 small business firms throughout the country, which indicates that 400,000 workers have lost their jobs because of the extension of coverage to many new industries and thousands of small businessmen as a result of the $500,000 annual income exemption which became effective in February.

The results of this survey show that most of those who have lost their jobs are teenagers, the mentally and physically handicapped, and the unskilled with the least aptitudes who are not productive enough to justify retaining under the new minimum wage regulations.

Unfortunately, the marginal employees who are losing their jobs are in groups where unemployment already runs well above the national average, as was pointed out recently by an editorial in the Wall Street Journal.

Some examples revealed by the poll are the following:

A plant in West Virginia reduced its employee complement by one-third because, according to the employer, it could no longer afford to train unskilled labor at the new rates.

A bank in Wisconsin reduced its number of employees from eight to six.

A laundry in Indiana reduced its staff from 40 to 35. Those discharged were, according to the owner, slow-thinking employees who were also slow in physical movement but who had been taught to do a specific job and produced at a rate of approximately 75 cents an hour.

And so it goes. Many employers have quit hiring high school students. According to restaurant operators, the earnings of unskilled labor such as kitchen help, dishwashers, and busboys, will be greatly curtailed. One owner stated:

> We will be forced to use paper instead of china in order to keep prices low enough so that the people can afford to eat with us. It has caused us to look at aspects of the industry such as take-out service, which will enable us to work efficiently with fifteen fewer employees.

Mr. President, I ask unanimous consent that the following articles be printed in the RECORD at the conclusion of my remarks. The first is from the July 10 issue of U.S. News & World Report, entitled "Jobs That Were Lost When Minimum Wage Went Up." The others are an editorial from the July 7 issue of the Wall Street Journal, entitled "Firings by Fiat," a column by John Chamberlain which appeared in the Washington Post on July 3, and a column by David Lawrence which appeared in the Evening Star on July 3.

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

(See exhibits 1 through 4.)

Mr. PROUTY. Mr. President, the annual income exemption for small businesses is now $500,000. The minimum wage is scheduled to increase again in 1968 and the annual income exemption will be lowered to $250,000 in 1969. With the 1968 increase in effect, the Wall Street Journal states:

> A few hundred thousand more workers may wonder whether firings forced by Federal fiat is indeed the American way.

Mr. President, we are not talking about big business even though $250,000 or $500,000 may sound like a lot of money. As I pointed out last fall, the median ratio of profit to net sales on profits produced by Dun's Review of Modern Industry is 1.09, which means that a business doing $349,000 in annual sales would show a profit of approximately $3,800. That is the median ratio. The highest ratio shown was 2.34 which would show a profit of approximately $8,200 on annual gross sales of $349,000.

I hope that Senators will read these articles and seriously consider this problem. I have mentioned but a few examples. Our Subcommittee on Poverty has also seen the extent of unemployment caused in certain southern rural areas as a result of implementation of the new minimum wage provisions. It is interesting to note that, despite the Labor Department's contrary claim, Negro and white leaders in the South are unanimous in agreeing that the minimum wage legislation which became effective in February has contributed to mass unemployment in their areas.

In my opinion, the employment issues raised by the report of the National Federation of Independent Business should be thoroughly investigated. Because of the timetable given us by the minimum wage law which we passed last year, there is still time for Congress to consider whether the annual income exemption for small businesses should be further reduced in 1969, as it will be under the present law, or whether the facts warrant enacting new legislation prior to 1969 to protect these very small businessmen and the thousands of marginal workers whom they now employ.

EXHIBIT 1

[From the U.S. News & World Report, July 10, 1967]

JOBS THAT WERE LOST WHEN MINIMUM WAGE WENT UP

Latest changes in the minimum-wage law have been in effect for five months, long enough for results to show up.

Just what are the results?

To find out, a small-business group polled its members. Here is what the poll shows.

Tens of thousands of workers have lost their jobs this year as a result of the latest increase in the minimum wage required by federal law.

Employers of these workers say they cannot afford to pay the wage rates required for workers covered for the first time, much less the higher rates fixed for employees who had been covered all along. Still higher rates, to come next year, are expected to bring still more layoffs.

A survey of small business concerns, just made public, estimates that as many as 400,000 workers have been dismissed as a result of the hourly rate of $1.40 now in force and the extension of coverage to many new industries.

Already, 20 of 60 employes have been dismissed at one manufacturing plant in West Virginia. "Our firm," said the employer, "no longer can afford to train unskilled labor at the new rates."

In Wisconsin, a bank with eight employes discharged two because, bank officials said, "We feel a jump to $1.40 is way too much for a beginner out of high school."

In Indiana, a laundry laid off five of its 40 employes and expects to fire still more. The owner explained:

"Prior to the present minimum-wage law we had several persons . . . slow thinking and slow in physical movement. We had taught them to do a specific job. They did the work—at a slow production rate—and earned about 75 cents an hour."

Said an employer of Kalamazoo, Mich.: "We've quit hiring high-school boys."

These examples and many more came out of the survey, which polled 40,000 small business firms in all parts of the country. The survey was made by the National Federation of Independent Business, Inc., an organization of independent business proprietors, which claims 235,000 members.

Officials of the federation reported that comments from the small employers indicated that "victims" of the higher minimum wage and broader coverage "are principally teen-agers, mentally and physically handicapped, and the unskilled with the least aptitudes" who are "not productive enough to justify retaining at the higher legal wage rates."

Small towns hit. The effect of the law is being felt, according to the federation, not in the big metropolitan areas, but in rural areas and small towns, especially in the Middle West, the South and the Rocky Mountain States.

If the present trend continues, the business organization said, the number of "hard-core unemployables" may reach 2 million workers by the end of this year, as a result of the new minimum-wage law.

It was the extension of the law to millions of workers not previously covered that resulted in many of the layoffs disclosed in the survey. For workers who had been covered, the rate rose to $1.40 an hour, from $1.25 on February 1 of this year. This rate goes to $1.60 next February.

For most of the newly covered 9 million workers, the beginning minimum rate is $1 an hour, with increases still to come.

Examples of lost jobs. In what follows, you get some other case histories that were reported by the business federation from

comments of employers who were covered in the survey:

A building-specialties firm that operates in the Carolinas had 11 employes. Now it has eight. The three who lost their jobs, the employer said, "were long-time, aged employes who were not capable of producing under the new wage law."

The laundry in Indiana that laid off five employes who had earned about 75 cents an hour contended:

"This rather small income enabled them to be self-supporting.

"In terms of productivity, their wages were equal to employees earning $1.25 per hour. The 75 cents per hour was all that these people were physically able to produce.

"These people have been unable to find work since leaving us. Now the sad part is that we will be forced to lay off some more of our marginal people who have been with the company for years."

Unskilled help is the victim, according to a restaurant operator in upstate New York. Of 50 workers, he has fired four and may have to drop 15 more. He explained:

"The minimum wage will cripple the earnings of unskilled labor such as kitchen help, dishwashers, bus boys, etc. We will be forced to use paper instead of china in order to keep prices low enough so that the people can afford to eat with us. It has caused us to look at aspects of the industry such as take-out service, which will enable us to work efficiently with 15 fewer employes."

Cutback in learners. Fewer apprentices will be hired, according to a bakery owner in Utah. He said:

"The minimum wage virtually eliminates apprentices as new employes. The minimum-wage law is going to close many small businesses, including my own, which has an annual payroll of nearly $15,000."

A citrus-fruit packer in Florida, who normally employs 50 people, is cutting down his work force rapidly and reducing the quantity of fruit handled for concentrated juice. He said:

"We are faced with the possibility of some of our lower-grade fruit going to economic abandonment. Some citrus fruit now being delivered to processors will not pay out the cost of picking and delivering the fruit, much less the cost of production."

"HARD TO RAISE PRICES"

In Wyoming, a distributor of farm products has had to fire two employes.

"In farming communities," he said, "it is hard to raise prices in order to meet the burden put on by Congress, such as wage laws and more Social Security."

A butter-and-egg business in Ohio, with 35 employes, dropped two who were "casual, unskilled people."

"A couple of roustabouts" lost their jobs in a Kansas grain mill because their employer felt they were not worth the higher rate.

In Nebraska, eight lost jobs in a laundry and dry-cleaning firm in a town of less than 6,000 population. The owner, who had employed 28 persons, reported that the minimum wage forced him to lay off six full-time and two part-time workers.

An electric-service company in Nebraska said it discharged one employe because of the new wage. "We cannot continue price raises in the kind of economy we have here," the owner said.

Officials of the business organization predicted that the layoffs will continue, as more firms discover that workers with low skills or less-than-normal ability are not producing enough to justify the higher rates of pay.

EXHIBIT 2

[From the Wall Street Journal, July 7, 1967]

FIRINGS BY FIAT

When the minimum wage was raised early this year, labor leaders and some legislators claimed that millions of workers would be pulled upward to the "American way of life." For many thousands of people, however, the result has not been so agreeable.

According to a survey by the National Federation of Independent Business, as many as 400,000 workers have been fired as a direct result of the minimum-wage increase. The Federation polled 40,000 small businesses in all parts of the nation.

The higher pay floor chiefly hurt teenagers, the mentally and physically retarded and those individuals who possessed the fewest skills and aptitudes, the survey showed. Unemployment in these groups already runs well above the national average.

Unfortunately, some people still seem unable or unwilling to recognize that businessmen cannot pay employees more than they are worth. A business that operates on that sort of philanthropic principle runs the very real risk of being forced to cease operating at all.

As for the future, the Federation predicts that layoffs compelled by the minimum wage will continue, as more firms discover that low-skilled employes are not producing enough to justify the higher rates of pay. And another rise in the Federal pay standard is scheduled for 1968.

With next year's boost in effect, a few hundred thousand more workers may wonder whether firings-forced-by-Federal-fiat is indeed the American way.

EXHIBIT 3

[From the Washington Post, July 3, 1967]

UNITED STATES PUTS 400,000 OUT OF WORK

(By John Chamberlain)

Who listens to the small businessmen of this country? Their representative organization, the National Federation of Independent Business, Inc., with a membership of 235,587 is the largest of its kind. The Federation polls its membership on a monthly basis, seeking light on pertinent topics of vital importance to the small enterpriser, and it invariably comes up with information that should have a swift impact on our legislators. But nothing happens.

It could be that the rhetoric of the Great Society has such a mesmerizing effect on Congress that nobody dares to question the reigning cliches of the moment. The shabbiest, scrawniest sacred cows are permitted to nibble away our sustenance, yet nothing is done to get rid of them. Thus, to murmur a word against the Federal minimum wage law is enough to have one branded as an enemy of the people. Yet the cold truth of the matter is that the minimum wage law is putting people out of work, forcing internal migrations in the country that pile more and more helpless victims into the big metropolitan ghettos, and imposing insuperable burdens on Sargent Shriver's already over-pressured Office of Economic Opportunity.

Back in January the National Federation of Independent Business started a "continuous field survey" of the "employment structure" of independent retailers. For January there was a slight gain in employes after deducting those dropped. But in February, which was the month the minimum wage law went into effect, the bad news began to come in. Of the respondents who reported firing employes in February, 20 per cent of them gave the new minimum wage law as the reason. In March, 23 per cent reported dropping workers because of the new law. In April, the figure rose to 26 per cent.

The data collected by the Federation has come from 40,000 firms. Since there are some 4,700,000 independent firms in the Nation, this means that the Federation's sample constitutes roughly one per cent of the total for the whole United States. Computerized projections from the sample indicate that 400,000 people have lost their jobs because of stiff minimum wage requirements which businessmen have been unable to meet.

The Federation predicts that 2 million people will be compelled to look to public relief by the end of 1967 if the present rate of firings continues.

Voluntary comments supplied by respondents could not be fed into the computer. But, generalizing from them, the Federation says the victims of the minimum wage law are principally teenagers, the mentally and physically handicapped, and the unskilled with the least aptitude. These people are able to do limited jobs, but cannot be productive enough to justify being retained at the new compulsory wage rates.

What is deceptive about the workings of the minimum wage law is that its impact does not show up in the big metropolitan centers of the North and East. The big firings of the past five months have been in the Midwest, the South, and the Rocky Mountain States.

But this does not exempt the large cities from trouble. For the newly unemployed inevitably gravitate to the city slums where they can go on relief rolls. The recent Federal court ruling that Connecticut's residence requirement for relief is illegal must compound the disaster, for if this ruling holds up, 40 states which have put residence restrictions on the granting of public welfare payments will find themselves liable to supporting all comers.

EXHIBIT 4

MINIMUM PAY RISE CUTS TWO WAYS

(By David Lawrence)

Do many people know how costly to the country and how disrupting to individual welfare a change in the federal "minimum wage" rates is today? How many youngsters have been deprived of jobs, and how many persons in the upper age brackets have been idled?

These are questions which only partly indicate the profound effect in an economic sense caused by the raising of minimum wages this year to $1.40 an hour and by the increase in the scope of the law to include workers hitherto uncovered but who now get at least $1 an hour. Also, next February, the minimum wage goes to $1.60 an hour.

The most far-reaching cost of the increases is in the wage rates well above the minimum. These now are being forced upward all along the line. A worker, for example, previously earning $1.40 an hour on a 40-hour week received $56 a week, and the labor unions aren't content to leave this and the other rates unchanged as the minimum is moved up by law. When the workers who have already reached the $56 bracket demand an increase, this affects those in the $80 category and so on up the line. The total amount of these increases to the country runs into the hundreds of millions of dollars a year and is one of the factors in the rise in the cost of living, otherwise known as "inflation."

The hardships and tragic results of the raise in the minimum-wage rates have been disclosed to some extent in a survey conducted among 40,000 small business firms in all parts of the country by the National Federation of Independent Business, an organization of independent business proprietors. The replies to its questionnaire are very revealing.

Thus, for example, a laundry in Indiana laid off five of its 40 employes and expects to fire still more; in Wisconsin, a small bank discharged two of its employes because it felt that a rate of $56 a week is too much for a beginner just out of high school.

The new rates generally seem to have hurt the chances of teen-agers to get jobs. This is especially true in small towns, but even in a large city small firms are saying they can't afford to train unskilled labor at the new rates.

One restaurant operator in upstate New York said in his comment answering the survey:

"The minimum wage will cripple the earnings of unskilled labor such as kitchen help, dishwashers, bus boys, etc."

A bakery owner in Utah said the minimum wage virtually eliminates apprentices as new employes and will close up many small businesses. The new law affects some farm employes too. Altogether the need to discharge workers will be felt by the low skilled and unskilled.

But, it will be asked, why weren't all these factors taken into account by members of Congress when they enacted the minimum-wage legislation? The answer is that the labor-union monopoly in America boasts that it controls a majority of both houses of Congress today by furnishing campaign funds to help elect them. This certainly emphasizes the need for a stricter code of ethics than has been suggested thus far as a result of the cases of Sen. Dodd and Rep. Powell. It makes a good argument for federal appropriation of campaign funds so that candidates will not be placed under obligations to any vested interest.

The big labor organizations aren't interested particularly in minimum wages as such because those employes who get the increases are usually not members of unions nor likely to be for a while. They are primarily scattered workers in miscellaneous small shops which aren't organized by the unions. But every rise in the minimum-wage rates imposed by federal law pushes up the whole set of wage scales and has its impact all along the line—including, for instance, on the auto workers. This, of course, adds to the cost of the automobile itself.

Thus the minimum-wage rates have their biggest influence in moving up the other scales throughout the country. It might be less expensive in the long run for local communities to put the unskilled workers on government relief temporarily until they can be taught skills that would enable them to earn even better wages than the minimum.

PANAMA BACKDOWN

Mr. PEARSON. Mr. President, Mr. Paul Allingham, publisher and editor of the Atchison Globe, is one of the most astute and learned observers and interpreters of public affairs in the Nation today. His editorial in the Atchison Globe of Tuesday, July 11, 1967, discusses the prospective Panama Treaties and deals with questions of sovereignty, compensation, and the new proposed sea level canal which is anticipated in these treaties soon to be brought forth in hearings before the Senate.

Mr. President, I ask unanimous consent that the editorial, entitled "Panama Backdown," be printed in the RECORD.

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

PANAMA BACKDOWN

According to reports, the Johnson Administration announced the U.S. government had reached new accords with Panama over the canal, but in order to prevent domestic reaction against its diplomacy the Administration has still refused to publish the text of the treaties and has not yet admitted the surrender of sovereignty. But informed sources have managed to gather enough information to know the U.S. has vacated its title to the canal.

Under the new treaties, according to reliable authorities, the United States has effectively abrogated its 1903 treaty rights with Panama, relinquished absolute legal control over the Canal Zone and "effectively recognized" Panama's sovereignty over the 10-mile-wide strip of land containing the present canal.

Furthermore, Panama will be able to help run the present canal as well as any future sea level waterways (which according to the experts is at least 10 years away from reality).

While most Americans aren't aware of the true facts, diplomatic experts say the relinquishing of U.S. control over the Panama Canal has been a Communist objective since 1917 and that Red Agent Alger Hiss, when he was in the State Department, assiduously attempted to persuade the American government to forsake its Panamanian rights. Much of the anti-American agitation in Panama has both been inspired and led by the Communists.

Summing up the dangers of LBJ's diplomatic gambit, the Chicago Tribune editorializes:

"The administration seems unaware that one of the Soviet objectives is to strangle the great arteries of maritime communications, one by one. Russia's Egyptian cat's-paw, Nasser, has closed the Suez Canal with sunken ships and attempted to blockade the Gulf of Aqaba. The United States has fallen for Communist and Afro-Asian propaganda and got itself into a senseless quarrel with South Africa, whose ports and refueling depots are vital to use in the substitute route around the tip of southern Africa. Now the United States position in the Panama Canal has been compromised.

"The stage is set for Communist strangulation of the great sea arteries which contribute so much to American strategic mobility."

So we have only this to say to our readers—a flood of opposition mail from the grass roots to members of the Senate could prevent Senate approval. Ratification requires a "yes" by two-thirds of those present and voting.

It is time to let LBJ know the American people know the score and won't buy his so-called slick diplomacy.

RIOTS AND VIOLENCE IN OUR CITIES

Mr. JAVITS. Mr. President, I had intended to speak this morning at some length on the problem of riots and violence in our cities in connection with the entire matter of civil rights and the long, hot summer issue. However, inasmuch as we have a great emergency in the railroad strike matter in which I am very heavily involved as the ranking member of the appropriate committee, I shall forgo making my speech at this time, but I wish to announce that I will address myself to this subject not later than Wednesday.

CHICAGO TRIBUNE'S PUBLICATION OF CANAL TREATY TEXT

Mr. THURMOND. Mr. President, in a statement before this body on July 10, 1967, I quoted an illuminating news story published in the Chicago Tribune of July 7, by Chesly Manly, a distinguished correspondent of that great newspaper, in which he quoted part of the text of a proposed defense base treaty with Panama.

In the same paper, on July 15, there was featured another vital story by correspondent Chesly Manly quoting the full text of the proposed new basic treaty for the Panama Canal, preceded by a list of its main features and an editorial note on the Chicago Tribune's record of important journalistic achievements. Making the text of this proposed treaty available to the people of our country, who have been denied such information, is a national contribution of the highest importance for the security of the United States, if not of the entire Western Hemisphere. It is remarkable that the other great news gathering agencies of this country have ignored this important story. I have not yet seen any story that repeats the substance of the Tribune's revelations of July 7. I hope more attention will be paid to the present important scoop on the whole of the major proposed treaty.

The magnitude of the projected surrender at Panama exceeds the fears of those who have studied the subject and know its problems. Compared to what is proposed in this new treaty, the present juridical setup, though complicated, is simplicity itself. Even a glance at the list of main features of the treaty will suggest that its ratification will result in difficulties and chaos greater than anything we have so far witnessed.

In view of the comprehensive summary given by the Tribune in the list of main features of the treaty, I shall not, at this time, attempt to discuss them in detail except to state that the treaty interests of Great Britain and Colombia in the Panama Canal seem to have been ignored.

In order that my colleagues in the Senate may have the benefit of this further advance information on proposed treaties to be submitted for ratification, I ask unanimous consent to have printed in the RECORD the above indicated items.

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

FULL PANAMA TREATY TEXT—TRIBUNE GETS PLAN CEDING U.S. RIGHTS—TOLL RAISES PROPOSED TO PLACE CANAL ON PROFIT-MAKING BASIS—RESTRICTIONS SLATED ON AMERICANS FOR PROTECTION OF WATERWAY IN EVENT OF AGGRESSION

(By Chesly Manly)

PANAMA CITY, July 14.—The proposed new treaty between the United States and Panama on the Panama canal would change the law governing tolls on commercial shipping from a self-sustaining to a profit-making basis, to satisfy demands by Panama's politicians for greatly increased revenues from the canal.

Next to the effect of the canal treaty and a companion defense treaty on the security of the canal, the toll agreement is the most controversial of all changes proposed in the operation and defense of the canal.

A separate new defense treaty would authorize the United States to continue use of certain defense areas, but any military measures in the Republic of Panama outside of the specified areas, which the United States might consider necessary for the protection of the canal in case of aggression, armed conflict, or other emergency, could be taken only with the consent of Panama. A major part of the text of the new defense treaty was published by The Chicago Tribune on July 7.

The United States and Panama have negotiated three new treaties, which President Johnson and President Marco Robles are expected to sign in Washington next month.

AUTHORIZES SEA LEVEL CANAL IN PANAMA

Besides the treaties on the canal itself and its defenses, there is one authorizing the United States to build a sea level canal in

Panama, if it should choose a route in that country instead of alternative possibilities in northern Colombia and on the border of Nicaragua and Costa Rica, to replace the present high-level lake-lock canal.

Many American military and civilian authorities in both Panama and Washington regard the new defense treaty as hopelessly inadequate for the protection of the canal. They fear that in this age of nuclear weapons and blitzkreig conventional warfare, such as Israel's spectacular defeat of the Arab countries in three days, the canal might be overrun or destroyed before the United States could obtain permission from a communist-infiltrated government of Panama to protect it.

Opponents of the proposed new treaties also contend that explicit recognition of Panama's sovereignty in the Canal Zone would be a standing invitation for nationalization of the canal by a leftist regime in Panama. Nationalist extremists and leaders of the communist-dominated student organizations in Panama have been demanding nationalization of the canal ever since President Gamal Abdel Nasser of the United Arab Republic nationalized the Suez canal.

POSSIBLE U.S. PROBLEMS OUTLINED

If the canal should be nationalized, the national assembly of Panama could adopt new laws for its operation contrary to obligations under the proposed new treaty or calling for the withdrawal of American defense forces. Then the United States could defend the canal only at the risk of being accused thruout Latin America of "intervention" in the internal affairs of a small country.

The new treaties must have the "advice and consent" of the United States Senate, which requires a two-thirds vote, before they can be put into force. Also they must be approved by the national assembly of Panama. There is widespread opposition to the treaties in Panama, not so much because of their terms but because of a belief that the United States government, by agreeing to them at this time, is seeking to keep Panama's ruling oligarchy in power and thus is deemed interfering in the domestic politics of that country.

The canal treaty would increase annual payments to Panama, now $1,930,000, to 17 cents a long ton the first year and 22 cents after five years on all commercial cargo passing thru the canal. The canal is setting new cargo records each year and the annual total is now nearing 100 million long tons.

At 22 cents a ton, this would give Panama 22 million dollars a year, which is far more than the present net revenues of the canal operation. Transit revenues were 72.6 million dollars in the 1966 fiscal year and about 82 million in fiscal 1967. Net revenues, however, averaged only 3.9 million dollars for the five-year period, 1962–1966.

The new canal treaty authorizes toll increases to give the United States and Panama a "fair return in the light of their contributions" to the waterway. Under present law, the United States is permitted to charge tolls only for the purpose of supporting the canal operation, including the cost of the canal zone government, and recovering the United States investment in the canal. The total investment is 1.9 billion dollars, of which 330.7 million is interest-bearing. Altho interest payments have been made regularly the last capital reimbursement was 10 million dollars in 1960.

The present toll rates, which have not been increased since the canal was opened in 1914, are 90 cents a long ton of cargo capacity for laden ships and 72 cents for ships in ballast. Even at 90 cents a ton, however, a 40,000-ton ship can just about break even by going around Cape Horn and avoiding the canal, according to a recent study made for the canal administration by the Stanford Research institute.

STUDY INDICATES TOLLS CAN BE RAISED

Brig. Gen. Walter P. Leber, governor of the canal zone and president of the canal company, testified before a House of Representatives' Panama canal subcommittee on May 18 that studies made by the Stanford institute and by Arthur Anderson & Co. indicate the possibility of increasing tolls up to 25 per cent with little effect on the volume of traffic. He warned, however, that traffic would become progressively smaller with toll increases above 25 per cent. Panamanian politicians have demanded toll increases of 50 and even 100 per cent, with a 50 per cent share of gross, not net, revenues for Panama.

Studies made for the canal administration show that shippers would avoid excessive tolls by using alternative routes. Such a disruption of world shipping might have a serious effect upon costs to American consumers and upon exports and imports, as well as the balance of payments, of the United States.

Of 85.3 million long tons of cargo traffic thru the canal in fiscal year 1966, 36.6 million originated in the United States and 26.9 million was destined to the United States.

BELIEVE SUPER-TANKERS WOULDN'T USE IT

Eighty per cent of all cargo passing thru the canal is carried by ships of 20,000 tons or less. A ship of about 55,000 tons is the largest that can be locked thru the canal. Experts agree that even a sea level canal would not attract the new super-tankers, now approaching 200,000 tons.

It is cheaper for these highly automated ships to avoid the canal by going around Cape Horn or proceeding to American ports by other alternative routes. E. R. Duckstad, of the Stanford institute, testified that "an increase in tolls at the Panama canal generally can be expected to hasten the development of two separate supply basins for raw materials, one within the Atlantic and one within the Pacific area. And the amount of shipping between them will become a function of the level of tolls charged by the Panama canal."

LIST OF MAIN FEATURES OF CANAL TREATY

Following are the main provisions of the proposed new Panama canal treaty:

1. The Hay-Bunau-Varilla treaty of 1903, granting exclusive rights in the present canal zone to the United States "in perpetuity," and its amendments of 1936 and 1955, are abrogated.

2. The new treaty explicitly recognizes Panama's sovereignty in a new "canal area" to be substantially reduced in size. All United States property in the present zone which is not included in the new canal area shall be turned over to Panama.

BOARD TO REPLACE COMPANY

3. The present Panama Canal company, a United States government corporation, shall be replaced by a joint administration with a governing board of nine members, five appointed by the President of the United States and four by the president of Panama.

4. The new administration will assume all assets and liabilities of the present company except the unrecovered investment of the United States in the canal, which will be written off. The interest-bearing unrecovered investment was 330.7 million dollars on June 30, 1966. The total United States investment is 1.9 billion dollars in the canal and about 3 billion dollars in defenses.

5. Annual payments to the Republic of Panama, now $1,930,000, will be increased 17 cents a long ton the first year and 22 cents after five years on all commercial cargo passing thru the canal. With annual cargo now nearing 100 million long tons a year, payments to Panama would soon exceed 20 million dollars a year. Payments of 8 cents a long ton the first year and 10 cents after three years will be made to the United States.

TOLL RATES GOING UP

6. Toll rates, now 90 cents a long ton of cargo capacity for laden ships and 72 cents for ships in ballast, will be increased, but in the first three years they may be raised only for the purpose of meeting the tonnage payments to the United States and Panama.

7. The new joint administration will establish and maintain a police force, which shall have "exclusive police authority" in the canal area. The laws of Panama shall be applicable, however, in all matters not reserved by statutory law, to be adopted by the joint administration. Statutory law of the canal area will be applied by a special court of eight members [four from each country] to be appointed from panels designated by the two presidents.

8. Panama and the United States will provide for the defense, security, neutrality, and continuity of operation of the canal under provision of a separate treaty on defense and the status of forces, to be signed by the same day.

PROVIDES FOR CONCESSION

9. The joint administration will be authorized to make make arrangement for private operation of facilities and services now operated by the canal company and its concessionaires, including commissaries.

10. The administration shall have power to establish and maintain a postal service and to operate the Panama railroad, except that the government of Panama may shut down the railroad by giving two years' notice.

11. Employes of the present canal company [4,000 Americans and 11,000 Panamanians] will be transferred to the new administration under terms of employment provided by an agreement to be annexed to the treaty.

12. The treaty will expire Dec. 31, 1999, or earlier if, in the meantime, the present high-level lake-lock canal is replaced by a sea level canal.

A SERIES OF SCOOPS

Here is the text of the proposed Panama canal treaty which The Chicago Tribune's Chesly Manly obtained in Panama while details of this major development were being withheld in government circles in both countries. The heart of another treaty, concerning defense, was printed by the Tribune last week.

This new first is another in a long series The Tribune has scored over the years, particularly in critical international matters, some of which have been called not only the scoops of the generation but patriotic and valuable service to the county.

At the end of World War I, The Tribune's Frazier Hunt obtained and brought to the United States the first original copy of the war-ending treaty, which was turned over to the Senate and published in the paper.

The Tribune beat all of its competitors in the midwest in printing the text of the United Nations charter in 1945.

When President Truman imposed a gag on Gen. Douglas MacArthur, nearly eight months before Truman deposed him, The Chicago Tribune published in full the text of the important message which the far east commander was required to withdraw after preparing it for presentation to the Veterans of Foreign Wars convention in Chicago on Aug. 28, 1950. Following The Tribune's leadership, other newspapers published the MacArthur message, which urged the defense of Formosa to prevent it from falling into unfriendly hands.

In 1955, The Tribune presented to its readers, in a special section, the previously unpublished record of what was said and done at the Yalta conference in February, 1945, at which President Roosevelt and Prime Min-

ister Winston Churchill of Great Britain made vast concessions to Josef Stalin of Russia.

TEXT OF PROPOSED TREATY ON CANAL—U.S., PANAMA WOULD CREATE OPERATING UNIT

ARTICLE I

1. The convention between the Republic of Panama and the United States of America signed at Washington, Nov. 18, 1903, is hereby abrogated.

2. The treaty of friendship and cooperation signed at Washington, March 2, 1936, and the treaty of mutual understanding and cooperation and related memorandum of understandings reached signed at Panama on Jan. 25, 1955, are hereby abrogated.

3. Any other treaty or agreement, or any part thereof, between the Republic of Panama and the United States of America which is inconsistent with this treaty is, to the extent of the inconsistency, hereby terminated.

ARTICLE II

1. The Republic of Panama and the United States of America hereby establish an international juridical entity to be known as the joint administration of the Panama canal [hereinafter referred to as the "administration"] to operate the Panama canal and its appurtenant and supporting facilities and services, maintain the Panama canal and such facilities and services, make improvements and additions thereto, and administer the canal area, which is defined in Article III of this treaty, for the purposes of this treaty.

2. The administration shall assume its full responsibilities and functions under this treaty on a date to be determined in agreement with the Republic of Panama and the United States of America, which shall not be sooner than 6 months nor later than 24 months following the entry into force of this treaty.

3. The Republic of Panama, as sovereign over the canal area, guarantees to the administration the peaceful use and enjoyment of the canal area, consistent with this treaty and the continuity of operation of the Panama canal.

4. The Republic of Panama and the United States of America shall facilitate in every way the carrying out by the administration of its responsibilities and functions under this treaty.

5. The official languages of the administration shall be English and Spanish.

ARTICLE III

1. The Republic of Panama and the United States of America, each to the extent of its interests, grant to the administration, effective upon the date the administration assumes its full responsibilities and functions under this treaty, the use of the Panama canal and its appurtenant and supporting facilities and services and the use of the areas of land and water delineated in Annex I, which shall be known as the "canal area."

2. The administration shall have and enjoy, subject to the terms of this treaty, the use of the Panama canal, of the canal area and of all of the property which, on the date the administration assumes its full responsibilities and functions under this treaty, is being administered or used by the United States of America, thru its agencies, the Panama Canal company or the Canal Zone government.

3. The administration shall assume, as of the date it assumes its full responsibilities and functions under this treaty, all of the assets, liabilities and commitments of the Panama Canal company and Canal Zone government as reflected in the final financial statements for the Panama Canal company and Canal Zone government. The unrecovered investment of the United States of America in the Panama canal shall not be included in the liabilities assumed by the administration under this paragraph.

ARTICLE IV

1. The governing body of the administration shall be a board consisting of nine members, four of whom shall be appointed by the president of the Republic of Panama and five by the President of the United States of America. The members of the board shall be appointed for terms of six years, subject to removal for cause by the President of the country by whom appointed, except that the terms of two of the members appointed by each President upon the entry into force of this treaty shall be three years only. Members of the board shall be eligible for reappointment.

2. The board shall be convened by the Republic of Panama and the United States of America as soon as practicable after the entry into force of this treaty. Except as otherwise provided in this treaty, the board shall act by majority vote of its members present and voting whenever there is a quorum. A majority of the members shall constitute a quorum of the board. The board may adopt by-laws and rules of procedure. A member of the board may be represented by an alternate designated by the President of the country by whom the member was appointed. While serving on the board, an alternate shall exercise the same powers as a member, shall receive compensation and allowances at the same rate as the members and shall be accorded the privileges and exemptions provided by paragraph 9 of this article.

Elected chairman would serve year

3. The board shall elect a chairman, from among its members, who shall serve for one year. The chairman shall preside at meetings of the board and shall perform such other functions as may be provided in the by-laws. The chairmanship shall alternate annually between a member appointed by the president of the Republic of Panama and a member appointed by the President of the United States of America.

4. The compensation and allowances of members and alternate members of the board shall be established by the board and paid from the funds of the administration.

5. There shall be a director general and a deputy director general of the administration, one of whom shall be a national of the United States of America and the other a national of the Republic of Panama.

6. The director general and deputy director general shall be appointed by the board for a term of four years, shall be eligible for reappointment, and shall serve until their successors assume office, subject to removal for cause.

Director general designated chief

7. The director general shall be the chief executive officer of the administration and shall conduct its business and operations and administer its affairs, in accordance with the policies and directives of the board. He shall have general supervision and authority over the administration's other officers and employes.

8. The deputy director general shall act for the director general during a vacancy in the office of director general or during the latter's temporary absence or disability and shall perform such other duties as may be assigned to him.

9. The administration, the members of the board, the judges of the courts of the canal area and officers and employes of the administration [except as otherwise provided, the phrase officers and employes of the administration wherever used in this treaty shall include personnel of the courts of the canal area] and members of their families residing with them shall have the privileges and exemptions set forth in Annex II of this treaty.

ARTICLE V

For the purposes of this treaty, the administration shall have the right and power to:

1. Operate and maintain the Panama canal and its appurtenant and supporting facilities and services and make improvements and additions thereto, and control navigation in canal area waters;

2. Administer the canal area;

3. Establish, modify, and collect tolls for the use of the canal, in accordance with article XXXIII of this treaty;

4. Establish, modify, and collect fees, charges, and tariffs for all services, equipment, supplies, and materials furnished;

5. Pay operating costs and make other disbursements as provided in this treaty;

6. Borrow money and issue evidences of indebtedness;

7. Enter into contracts;

8. Sue and be sued, subject to the provisions of this treaty, but no attachment, garnishment, or similar process shall be issued against salaries or other monies owed by the administration to members of the board, the judges of the courts of the canal area and officers and employes of the administration, except in domestic relations cases.

ARTICLE VI

1. Except as otherwise provided in this treaty, the administration shall have the right and power to appoint, remove, establish the conditions and requirements of service and define the authority and duties of officers and employes of the administration.

2. The administration shall have the right and power to obtain the services of personnel from the governments of the Republic of Panama and the United States of America on a reimbursable basis.

ARTICLE VII

The administration shall establish employment policies. Subject to the provisions of article XXVII of this treaty, such policies will be in accordance with the principles set forth below:

1. The canal is a primary source of employment for Panamanians in all categories of employment;

2. There shall be equality of treatment of all officers and employes without regard to nationality;

3. Personnel employment, classification, compensation and retention in all categories of employment shall be based on merit, seniority, the nature of the work, and the principle of equal pay for equal work, without regard to nationality or place of recruitment;

4. Special conditions of employment and payment of special allowances may be provided for whenever the administration finds such action necessary to obtain needed skills and services which cannot be obtained thru normal recruitment procedures.

ARTICLE VIII

The administration shall have the right and power to grant permits to reside within the canal area to persons in the following categories:

1. Officers and employes of the administration and judges of the courts of the canal area;

2. Persons who are residing in the Canal Zone at the time this treaty enters into force and, where appropriate, the persons who replace them;

3. Contractors of the administration and their employes during the performance of their contracts;

4. Persons authorized to engage in religious, charitable, welfare, educational, scientific and recreational activities in the canal area;

5. Such other persons or categories of persons as may be approved by a vote of two-thirds of the members of the board;

6. Members of the families of the persons named in subparagraphs 1 thru 5 of this paragraph residing with such persons;

7. Domestic employes of persons in the above categories residing with such persons.

ARTICLE IX

1. The administration shall have the right and power to provide to ships all services pertaining to transit thru the canal, make repairs to ships and provide them with naval supplies incidental to such repairs, and sell water, fuel, and lubricants to ships.

2. It shall be the policy of the administration that, whenever practicable, the services referred to in paragraph 1 of this article shall be provided by private enterprise.

ARTICLE X

The administration shall maintain and operate the system supplying water for the operation of the canal and shall have the right and power to make improvements and additions thereto. The administration also shall have the right and power to supply water for other uses consistent with this treaty.

ARTICLE XI

1. The administration shall have the right and power to maintain and operate the Panama railroad for the purposes of the administration, of the Republic of Panama, and of the United States of America and their agencies. The administration shall also have the right and power to operate the Panama railroad as a common carrier; provided that it shall discontinue its operation as a common carrier within two years after receipt of a request to that effect from the government of the Republic of Panama.

2. The administration shall also have the right and power, in conformity with the provisions of this treaty, to acquire, maintain, and operate ships, aircraft and motor vehicles for the purposes of the administration, of the Republic of Panama, and of the United States of America and their agencies.

ARTICLE XII

1. The Republic of Panama grants to the administration the right and power to establish and operate a postal service employing the rates of postage current in the Republic of Panama and using only Panamanian stamps, which shall be purchased from the Republic of Panama at the same cost at which stamps are acquired by the Republic of Panama for sale thru postoffices of the Republic of Panama. Any postal service shall be operated for the use of the administration, the United States of America and its agencies present in the Republic of Panama, individuals authorized to reside in the canal area; and, in connection with the conduct of their activities, persons, businesses and other organizations located in the canal area for the purpose of business or other authorized activities.

2. The Republic of Panama shall notify the Universal Postal union and the Postal Union of the Americas and Spain that the Republic of Panama's adherence to those postal unions includes the canal area.

ARTICLE XIII

1. Subject to the provisions of article XV of this treaty and to paragraph 2 of this article, and in furtherance of the rights and powers granted to it in this treaty, the administration shall have the right and power to construct or acquire, establish, maintain and operate, or provide, facilities and services such as navigation, water supply and flood control facilities and services; fixed and floating marine terminal, salvage and repair facilities and services; fuel handling and storage facilities and services; general repair, storage and warehousing facilities and services; rail, air, sea and land transportation facilities and services; utilities and communications systems, facilities and services; construction facilities and services; facilities and services for the manufacture, improvement, repair and maintenance of equipment, machinery, installations and other property, including ships for its own use; laundry and dry cleaning facilities and services; office buildings, fire protection and police facilities and services; jails and penitentiaries; other municipal buildings, services and facilities; a printing plant; schools and other educational facilities and services; public health and sanitation facilities and services; hospitals and other medical facilities and services; libraries and museums; guest houses and restaurants; and amusement and recreation facilities and services.

List administration's sales rights

2. With respect to such facilities and services, the administration shall have the right and power to make sales or otherwise furnish services, equipment, supplies and materials to:

[a] vessels pursuant to article IX of this treaty;

[b] the Republic of Panama and the United States of America and their agencies;

[c] persons residing in the canal area under the provisions of article VIII of this treaty, enterprises and nonprofit organizations authorized to carry out their activities within the canal area, and nationals of the United States of America employed by the administration and residing outside the canal area;

[d] personnel of the United States of America and its agencies present in the Republic of Panama pursuant to agreements between the two countries, who are not citizens of the Republic of Panama;

[e] such other persons or entities as may be approved by the board, acting by a vote of two-thirds of its members.

3. The administration shall have the right and power to provide medical and hospital services to its employes regardless of their place of residence.

4. The administration shall continue the operation and maintenance of the Mount Hope and Corozal cemeteries.

ARTICLE XIV

1. The administration shall have the right and power to construct or acquire, establish, maintain and operate, or provide, residential facilities for persons permitted to reside in the canal area pursuant to article VIII of this treaty.

2. In addition, the administration shall have the right and power, subject to the provisions of article XV of this treaty, to construct or acquire, establish, maintain and operate, or provide, retail marketing, processing and service facilities for persons in the categories referred to in subparagraphs [c], [d], and [e] of paragraph 2 of article XIII of this treaty.

ARTICLE XV

1. Subject to the understanding that the following facilities and services shall continue to be available at locations convenient to residents of the canal area and shall be operated in conformity with standards approved by the board and preferably by private enterprise, the administration shall, within five years following its assumption of its full responsibilities and functions under this treaty, discontinue its operation of food stores; department stores; milk products plants; bakeries; pastry shops; cafeterias or luncheonettes; theaters; bowling alleys and other recreational facilities for the use of which a charge is payable; optical shops; such hotels, laundries, dry cleaning plants, printing plants, automobile repair services, tire recapping services and gasoline stations as are operated for the public; and, as may be determined by the administration in accordance with article XVI of this treaty, any other similar facilities or services.

Give rules on private operation

2. In making arrangements for private operation of any facility or service in the canal area under paragraph 1 of this article:

[a] The administration shall first publish specifications and calls for bids, which shall be open, without discrimination, to all persons and firms eligible to be authorized to engage in business activities in the Republic of Panama, and any person or firm to whom an award is made shall be entitled to obtain from the Republic of Panama any necessary authority to engage in business in the Republic of Panama and shall otherwise be subject to article XVIII of this treaty.

[b] If no satisfactory bids are received within the period specified in the call for bids, which shall not exceed 120 days, the administration shall seek to negotiate arrangements for private operation of the enterprises in question, upon such terms and conditions as may be determined by the board; provided, however, that the administration may continue to operate them if satisfactory arrangements cannot be made for their operation by private enterprise. In the event of any such continued operation by the administration, the administration shall, after the expiration of the five-year period referred to in paragraph 1 of this article, turn over to the appropriate authorities of the Republic of Panama amounts equal to the taxes, fees and other charges for which it would be liable with respect to such enterprises if it were an ordinary business corporation of the Republic of Panama, and otherwise operate the enterprise in conformity with the fiscal laws of the Republic of Panama.

[c] When any facility or service operated by the administration is converted to operation by private enterprise under this article no restrictions otherwise provided by this treaty with respect to the categories of persons or entities who may utilize the facilities or services shall apply to such private operation.

ARTICLE XVI

1. Consistent with this treaty, the administration shall have the right and power to continue or discontinue any activity, which, at the time the administration assumes its full responsibilities and functions under this treaty, was being conducted for the purposes of administering the canal area or operating the Panama canal.

2. The administration shall have the right and power to discontinue any other activities which it determines no longer are required or appropriate for its responsibilities and functions under this treaty.

ARTICLE XVII

1. The administration shall have the right and power, consistent with this treaty:

[a] To relinquish to the Republic of Panama land which it determines no longer is required for the exercise of its responsibilities and functions under this treaty;

[b] to dispose of property, other than land, owned or being administered by it by sale, replacement, exchange, lease or otherwise; and

[c] to lease or make conveyances of its interest in land. Proceeds from the disposition of any property pursuant to subparagraphs [b] and [c] of this paragraph shall be part of the general funds of the administration.

2. Should the administration decide to sell and property pursuant to subparagraph [b] of paragraph [1] of this article, the administration shall, subject to the provisions of paragraph 2 of article XXII of this treaty, give advance notice of such sale, and the terms and conditions thereof, to the Republic of Panama and the United States of America, who shall have the right to purchase such property, subject to such terms and conditions.

ARTICLE XVIII

1. In order to further the economic development of the Republic of Panama, the administration shall have the right and power to authorize the establishment of private business enterprises of all kinds in the canal area and adopt, issue, and enforce regulations relating to their establishment, conduct and discontinuance.

2. The administration shall use its best

efforts to facilitate the development of that portion of Diablo Heights described in paragraph 4 of annex I of this treaty as an area for the establishment of private industries, consistent with the administration's full responsibilities in the canal area.

3. Private business enterprises authorized by the administration to conduct activities in the canal area in accordance with the provisions of this treaty, shall be subject to the laws of the Republic of Panama or to the statutes of the administration pursuant to the provisions of articles XXIV and XXV of this treaty.

Offer plan for established businesses

4. During the period referred to in article XXXVI of this treaty, private business enterprises actually established and engaged in activities in the Canal Zone on the date this treaty enters into force shall have the rights to continue their activities under the system referred to in that article and thereafter shall have the right to continue such activities in the canal area in accordance with the provisions of this treaty.

5. Persons engaged in business activities in the Canal Zone and residing there on the date this treaty enters into force shall have the right to reside in the canal area as long as they are engaged in such activities.

ARTICLE XIX

1. The administration shall have the right and power to authorize the establishment of nonprofit organizations in the canal area and adopt, issue, and enforce regulations relating to their establishment, conduct and discontinuance.

2. Nonprofit organizations authorized by the administration in the canal area in accordance with the provisions of this treaty shall be subject to the laws of the Republic of Panama or to the statutes of the administration pursuant to the provisions of articles XXIV and XXV of this treaty.

3. During the period referred to in article XXXVI of this treaty, nonprofit organizations actually established and engaged in such activities in the Canal Zone on the date this treaty enters into force shall have the right to continue their activities under the system referred to in that article and thereafter shall have the right to continue their activities in the canal area in accordance with the provisions of this treaty. Further, such nonprofit organizations shall be permitted to continue their activities on the same rental basis as on that date.

Set up rules on land licenses

4. In the event it should become necessary for the administration to revoke, other than for cause, the existing land license of any such previously-established and operating nonprofit organization, the administration shall provide, without cost to the organization, a suitable site and comparable facilities elsewhere in the canal area; if no such site and facilities are available elsewhere, the administration shall compensate the organization on the basis of a fair value of the improvements existing on the vacated premises.

5. Persons engaged in activities of nonprofit organizations in the Canal Zone and residing there on the date this treaty enters into force shall have the right to reside in the canal area as long as they are engaged in such activities.

ARTICLE XX

1. The Republic of Panama grants to the administration the right and power to provide for the protection of persons and property in the canal area, and for the maintenance of public order and peace in the canal area.

2. The administration shall provide for the protection of the Panama Canal, the shipping therein, and its appurtenant and supporting facilities and services.

3. The administration may, if necessary, call upon the armed forces of the Republic of Panama or of the United States of America for military assistance whenever it deems such military assistance to be necessary in carrying out its responsibilities under paragraphs 1 and 2 of this article.

4. The protective measures of the administration shall be coordinated with the defense and security measures contemplated in article XXXV of this treaty.

ARTICLE XXI

1. The Republic of Panama grants to the administration the right and power to enter into agreements with the armed forces of the United States of America regarding:

[a] The use by the administration of defense areas made available to the armed forces pursuant to the provisions of the treaty on the defense of the Panama canal and of its neutrality signed on this date between the Republic of Panama and the United States of America and the use by the armed forces of the installations and areas the use of which is granted to the administration by this treaty, except that the treaty status of such areas shall not be affected thereby; and

[b] the provision of facilities, supplies, equipment, maintenance, electric power, potable water, schooling, hospitalization, sanitation, fire protection, and other utilities and services.

2. Agreements made pursuant to subparagraph [b] of paragraph 1 of this article may include provisions for payment of reasonable charges.

ARTICLE XXII

1. The administration and the armed forces of the United States of America shall cooperate in facilitating their respective missions pursuant to this treaty and the treaty on the defense of the Panama canal and of its neutrality by continuing the support arrangements existing between the said armed forces and the Panama Canal company and the Canal Zone government at the time this treaty enters into force or concluding other mutually satisfactory arrangements for reciprocal support. Such arrangements may include provisions for payment of reasonable charges.

2. Should the administration decide to discontinue any facility, utility, service or activity which is the subject of such arrangements with the armed forces of the United States of America, the administration shall give advance notice of such decision to the forces and shall give them the opportunity to assume responsibility for the continued provision of the facility, utility, service or activity to the extent used by these forces and to acquire, without cost, the rights and interest of the administration in any property acquired pursuant to article III of this treaty which contributed to the furnishing of such facility, utility, service or activity [except the right granted to the administration by paragraph 1 of article XVII of this treaty to dispose of such property], provided that if, pursuant to this or any other treaty or agreement, any such property being used to render services to the Republic of Panama or to the United States of America, the transfer shall be made subject to the continuance of such services.

ARTICLE XXIII

The Republic of Panama grants to the administration the right and power to establish and maintain a police force, which shall have exclusive police authority in the canal area. Consistent therewith, officials of the Republic of Panama shall have the right to exercise in the canal area functions authorized by laws of the Republic of Panama applicable in the canal area under article XXIV of this treaty.

ARTICLE XXIV

1. The laws of the Republic of Panama shall, as of the date the administration assumes its full responsibilities and functions under this treaty, be applicable in the canal area except with respect to those subject matters enumerated or referred to in subparagraph [a] of paragraph 2 of this article, and except as otherwise provided in this treaty; provided, however, that the laws of the Republic of Panama shall not be retroactively applied to any period, matter or event occurring before the administration assumes its full responsibilities and functions under this treaty. No laws shall be made by the Republic of Panama nor shall any law be enforced which will, in any manner, discriminate against the administration or against persons or property within the canal area.

2. [a] The Republic of Panama grants to the administration the right and power to adopt, by an absolute majority vote of the board, statutes with respect to those subject matters listed below, which shall comprise the statute for the canal area and shall be the applicable law with respect to such subject matters in the canal area, to the exclusion of any other statutory law:

[i] Admiralty, shipping and navigation;

[ii] torts and contracts of the administration and contracts entered into by and between contractors and subcontractors of the administration which relate to work performed for or on behalf of the administration;

[iii] relations between the administration and members of the board, judges of the courts of the canal area and officers and employes of the administration, including terms and conditions of employment and other labor relations;

[iv] services rendered, facilities operated, activities carried out, functions performed by and rights and powers granted to the administration pursuant to this treaty when the board considers that the performance thereof makes advisable the adoption of statutory provisions with respect thereto, provided that any such statute adopted by the administration shall be consistent with the provisions of subparagraph [b] of paragraph 2 of article XV of this treaty;

[v] the following crimes and offenses, when considered advisable by the board:

[a] crimes and offenses against the security of the canal or any facility or installation thereof, and the shipping therein;

[b] crimes and offenses by or against ships, or their cargoes, officers, crews or passengers within the canal area;

[c] crimes and offenses arising in the canal area from any act or omission in the performance of official duty in the service of the administration;

[d] crimes and offenses in the canal area by or against the administration or its property, or by or against the person or property of members of the board, judges of the courts of the canal area and officers and employes of the administration and members of their families residing with them, or by or against the person or property of other residents of the canal area; and crimes and offenses against public order and peace in the canal area; and

[e] other crimes and offenses as determined by a vote of two-thirds of the members of the board.

[b] The death penalty shall not be imposed for any crime or offense.

[c] The administration shall adopt the statute for the canal area referred to in subparagraph [a] of this paragraph as soon as practicable after it assumes its full responsibilities and functions under this treaty. The administration shall have the right and power, by an absolute majority vote of the board, to amend, repeal or add to the statutes comprising the statute for the canal area.

Call for board of legal experts

3. The administration shall establish, as soon as practicable after the board has been appointed, a commission of legal experts of the Republic of Panama and the United

States of America to assist in the preparation of the statute for the canal area referred to in paragraph 2 of this article. The commission shall submit its recommendations to the administration not later than two years after the establishment of the commission.

4. After the date the administration assumes its full responsibilities and functions under this treaty, and pending the adoption of the statute for the canal area, the law applicable in the canal area immediately preceding that date [and regulations issued pursuant thereto in effect on that date] shall become the law of the canal area with respect to those subject matters described in items [i] thru [v] of subparagraph [a] of paragraph 2 of this article. The administration shall have the right and power, by an absolute majority vote of the board and to the extent required to carry out its responsibilities and functions under this treaty, to amend, repeal or add to any provision of the law applicable in accordance with this paragraph.

5. After the date the administration assumes its full responsibilities and functions under this treaty, the fundamental guarantees and rights which are provided for in the constitution of the Republic of Panama and those which were applicable in the Canal Zone on the date of entry into force of this treaty shall be applicable in the canal area.

6. The administration shall have the right and power, by a two-thirds vote of the entire board, to grant reprieves, paroles, commutations of sentences and pardons for crimes or offenses.

ARTICLE XXV

1. The Republic of Panama grants to the administration the right and power to establish a court of general jurisdiction in the canal area to be known as the Court of the Joint Administration of the Panama canal [hereinafter referred to as the "court"]. The court shall be established by the administration and shall assume its responsibilities and functions as of the date the administration assumes its full responsibilities and functions under this treaty. The court shall apply the laws applicable in accordance with article XXIV of this treaty. The court also shall apply any other law which may be applicable thru pertinent rules of conflicts of laws.

2. The court shall consist of eight judges, two of whom shall be known as Panama canal judges and six as associate Panama canal judges. The administration shall appoint one Panama canal judge and three associate Panama canal judges from a panel of eight qualified persons designated by the president of the Republic of Panama and one Panama canal judge and three associate Panama canal judges from a panel of eight qualified persons designated by the President of the United States of America. The Panama canal judges and associate Panama canal judges shall hold office for a period of six years or for the period during which the canal area is administered by the administration, whichever is shorter, unless removed by the board, acting by a vote of two-thirds of its members, for neglect of duty or malfeasance in office. In case of the death, resignation, absence, sickness, disqualification, removal or other inability to sit of a Panama canal judge, the court shall designate an associate Panama canal judge, appointed by the administration from the same country as that Panama canal judge, to sit in his place in the particular case or until the Panama canal judge is able to assume his seat or a new Panama canal judge is appointed, as the case may be. Panama canal judges and associate Panama canal judges shall be eligible for reappointment.

Administration would pay judges

3. The compensation and allowances of Panama canal judges and associate Panama canal judges shall be established by the administration and paid from its funds. All expenses of the court shall be paid from the funds of the administration.

4. The court may prescribe, consistent with this treaty, its rules of practice and procedure and may appoint and remove such personnel as may be required for the performance of its functions.

5. The courts of the Republic of Panama shall have jurisdiction over all civil actions and proceedings in the canal area except those specified in subparagraph [b] of this paragraph.

[b] The courts of the canal area shall have jurisdiction over all civil actions and proceedings in the canal area in the following categories:

[i] actions and proceedings by or against the administration;

[ii] actions and proceedings by or against an officer or employe of the administration arising out of the performance of official duties;

[iii] suits in admiralty or other actions and proceedings involving ships within the waters of the canal area, and actions and proceedings by or against cargoes, officers, crews or passengers on those ships, and

[iv] actions and proceedings arising under the statute for the canal area or under the law applicable in the canal area in accordance with paragraph 4 of article XXIV of this treaty.

[c] The courts of the Republic of Panama shall have criminal jurisdiction over prosecution of all crimes and offenses committed within the canal area except those specified in subparagraph [d] of this paragraph.

[d] The courts of the canal area shall have sole jurisdiction over prosecution of all crimes and offenses included within the categories enumerated or referred to in item [v] of subparagraph [a] of paragraph 2 of article XXIV of this treaty which are committed within the canal area, whether or not the administration has adopted statutes with respect thereto, and crimes and offenses which are crimes and offenses under the law applicable in the canal area in accordance with paragraph 4 of article XXIV of this treaty.

Offer further provisions on trials

[6] The law of the Republic of Panama may provide that crimes and offenses and civil actions and proceedings, or certain specified crimes and offenses and civil actions and proceedings, in the canal area over which the courts of the Republic of Panama have jurisdiction pursuant to the provisions of paragraph 5 of this article be prosecuted or tried or heard in the courts of the canal area.

[7] [a] The administration shall cooperate with and assist the authorities of the Republic of Panama by arresting within the canal area persons charged with having committed crimes and offenses over which the Republic of Panama has jurisdiction and handing them over to the authorities of the Republic of Panama, upon submission of a lawfully issued warrant of arrest. The Republic of Panama shall cooperate with and assist the administration by arrestling elsewhere within the Republic of Panama persons charged with having committed crimes and offenses over which the administration has jurisdiction and handing them over to the administration, upon submission of a lawfully issued warrant of arrest. Provision shall be made to insure that persons charged with minor crimes and offenses are not needlessly deprived of their freedom prior to trial.

[b] The Republic of Panama and the administration shall cooperate with and assist each other in the carrying out of necessary investigations into crime, and offenses, and in the collection and production of evidence, including the seizure and, in proper cases, the handing over of objects connected with a crime or offense.

[c] The courts of the canal area shall, within the canal area, cause to be served process and notice in civil actions duly issued by the courts of the Republic of Panama. The courts of the Republic of Panama shall elsewhere in the Republic of Panama cause to be served process and notice in civil actions duly issued by the courts of the canal area. Such service of process and notice shall establish the jurisdiction of the issuing court over the person served, consistent with the provisions of paragraph 5 of this article.

Must insure that subpenas are served

[d] The courts of the canal area shall act to insure that subpenas issued by the courts of the Republic of Panama are served and complied with by persons in the canal area, and the courts of the Republic of Panama shall act to insure that subpenas issued by the courts of the canal area are served and complied with by persons elsewhere in the Republic of Panama.

[e] Judgments issued by a court of the Republic of Panama which are enforceable under the laws of the Republic of Panama and not inconsistent with this treaty, shall be recognized by and shall be enforceable in the canal area thru the courts of the canal area. Judgments issued by the courts of the canal area which are enforceable under the statutes of the administration and not inconsistent with this treaty shall be recognized by and shall be enforceable elsewhere in the Republic of Panama thru the courts of the Republic of Panama.

[f] The Republic of Panama and the administration shall agree on and promulgate procedures for the implementation of the provisions of subparagraphs [a], [b], [c], [d,] and [e] of this paragraph.

8. [a] Neither the administration nor its officers nor employees shall be subject to any suit which involves the setting, modifying or collecting of any toll or other charges pertaining to the transit of ships thru the Panama canal.

[b] Any action: [1] For injuries to vessels, or to the cargo, crew or passengers of vessels, in waters of the canal area, including the locks, or [2] for any official act of the administration or its offices or employees based on performance of their official duties within the canal area may be brought only against the administration and only in the courts of the canal area.

[c] The administration shall establish administrative procedures for adjusting claims arising under subparagraph [b] of this paragraph against it or against its officers and employes for the performance of their official duties. Claimants must exhaust those remedies before instituting court action.

9. [a] All actions and proceedings in the court, civil and criminal, whether in the first instance or on appeal from the inferior courts established pursuant to paragraph 10 of this article, shall, consistent with this treaty, be tried before one Panama canal judge [or the associate Panama canal judge designated to sit in his place] and may be appealed to a court composed of three judges, not including the Panama canal judge or associate Panama canal judge from whose decision the case is being appealed. The judgment of the appeal court shall be final.

[b] In criminal cases, the accused shall, at his election, be entitled to trial by jury, except in cases justiciable by the inferior courts pursuant to paragraph 10 of this article. A judgment of acquittal on the merits shall not be subject to appeal.

[c] The court may by rule establish a period of time reserved for hearing appeals under this pararaph. The court may also establish such other rules for trials and appeals consistent with paragraph 11 of this article as it deems appropriate.

10. The court shall have the right and power to establish such inferior courts of limited jurisdiction as it deems necessary and appropriate. The jurisdiction of these inferior courts, their rules of practice and procedure and the appointment, removal, term and salary and expenses of the judges

and other personnel shall be determined by the court, except that the criminal jurisdiction of such courts shall be limited to cases in which the maximum punishment shall not exceed a fine of $500 or imprisonment for 30 days or both. All expenses of the inferior courts shall be paid from the funds of the administration.

11. Prior to the establishment of the court, the Republic of Panama and the United States of America shall agree on arrangements for the continuation or other disposition of matters before the Canal Zone courts, including appeals, enforcement of judgment and related trainsitional problems and on further principles to govern the trial and appeal of criminal cases in the courts of the canal area.

ARTICLE XXVI

1. The administration shall issue and enforce rules and regulations to render effective the exercise of the rights and powers granted to it by this treaty.

2. The administration shall perform any and all acts to render effective the rights and powers granted to it in this treaty and shall perform whatever administrative functions are required to carry out the purpose of this treaty.

3. The administration shall perform such other functions and exercise such other rights and powers consistent with this treaty as may be authorized by the board acting by a vote of two-thirds of its members.

ARTICLE XXVII

On the date the administration assumes its full responsibilities and functions under this treaty, persons employed by the Panama Canal company and the Canal Zone government shall be transferred to employment by the administration under conditions of employment established pursuant to the annexed agreement between the United States of America and the Republic of Panama.

ARTICLE XXVIII

1. [a] The Republic of Panama and any political subdivision thereof, shall impose no taxes, fees or other charges on the Panama canal; on the land and water areas comprising the canal area; on the administration or its activities or services except as provided in subparagraph [b] of paragraph 2 of article XV of this treaty, or on facilities, buildings, material, equipment, supplies and other property acquired or used by the administration in the exercise of its rights and powers and in the carrying out of its responsibilities and functions under this treaty; or on vessels and their cargoes, crews, and passengers passing thru the Panama canal or on the use by vessels, crews and passengers of the canal facilities or of the services offered by the administration. The judges of the courts of the canal area and officers and employes and contractors of the administration and employes of such contractors shall not be exempt from such taxes, fees and other charges except as provided in this treaty.

[b] The Republic of Panama, and any political subdivision thereof, shall impose no taxes, fees or other charges on material, equipment, supplies, and other property of contractors of the administration, except real estate located in the Republic of Panama outside the canal area, being used by such contractors exclusively for work being performed for or on behalf of the administration.

Proposes regulations covering imports

2. The Republic of Panama shall permit the administration and its contractors to import free of custom duties, imposts, taxes or other charges and of licensing requirements any materials, equipment, supplies, and other articles to be used in the exercise of the rights and powers of the administration under this treaty. Duty-free import privileges shall not be extended to the members of the board, the judges of the courts of the canal area and officers and employes of the administration, except as provided by paragraph 9 of article IV of this treaty or to personnel of its contractors or to other residents of the canal area. Duty-free import privileges shall not apply to any item imported by the administration for resale after it assumes its full responsibilities and functions under this treaty, except for resale to the Republic of Panama or the United States of America or their agencies. The administration and its contractors shall procure goods grown, mined, produced, manufactured or assembled in the Republic of Panama, or goods originating in the United States of America that are available in the Republic of Panama, when the quality thereof satisfactory to the administration and the cost thereof to the administration is not greater than the cost if procured in the United States of America.

3. The transfer by the administration or its contractors to any person [except the Republic of Panama or the United States of America or their agencies], for use or disposition within the Republic of Panama of materials, equipment, supplies, and other property imported in accordance with paragraph 2 of this article shall be deemed an importation by the transferee of such article from its country of origin on the date of such transfer [and, if assessment is made on an ad valorem basis, as its value on that date], and the transferee shall be liable to the Republic of Panama, for import duties and other charges accordingly.

ARTICLE XXIX

After the date the administration assumes its full responsibilities and functions under this treaty:

1. [a] The Republic of Panama shall have the right to have vessels use and enjoy dockage and other facilities in the ports of the canal area for the loading and unloading of goods and embarkation and debarkation of passengers, subject to agreement between the Republic of Panama and the administration on satisfactory terms and conditions, and upon the payment of proper charges prescribed by the administration.

[b] The Republic of Panama shall permit vessels entering at or clearing from the ports of the Republic of Panama, under suitable regulations and upon the payment of proper charges, to use and enjoy the dockage and other facilities of said port for the purpose of receiving or disembarking passengers to or from the canal area, and of loading and unloading cargoes either in transit or destined for use by the administration.

2. The Republic of Panama may establish at mutually agreeable locations made available by the administration within the canal area, at its own expense but free of charges by the administration, except for services provided, such buildings and facilities as are necessary for the operation of customs, immigration, health, and tourist offices.

3. Immigration and public health officers of the Republic of Panama shall have free access to vessels and aircraft arriving in the canal area, for the purpose of administering the immigration laws and regulations of the Republic of Panama and, insofar as concerns cargo or passengers moving from or to points in the Republic of Panama outside the canal area, of obtaining information necessary to administration of the public health laws and regulations of the Republic of Panama. Insofar as is consistent with international practice, ships, including warships, and aircraft, owned, operated or chartered by a state and used solely for noncommercial purposes shall be exempted from the provisions of this paragraph.

ARTICLE XXX

1. The administration shall keep adequate records and books of account in accordance with generally accepted accounting principles approved by the controller general of the Republic of Panama and the controller general of the United States of America.

2. Not later than 120 days after the expiration of each fiscal year following the date the administration assumes its full responsibilities and functions under this treaty, the administration shall deliver to the president of the Republic of Panama and to the President of the United States of America statements to subparagraph [b] of paragraph 1 of article XXI of this treaty.

2. The administration shall have the right and power to:

[a] raise the surface of Madden lake to 260 feet about mean sea level and of Gatun lake to 100 feet above mean sea level and to lower the surface of these lakes as necessary in the use of water thereof; provided, however, that the level of the lakes shall be coordinated between responsible agencies of the Republic of Panama and the administration so as to protect the canal operation and the water supply of the Republic of Panama;

[b] erect, inspect and maintain rainfall and river gauging stations in the watersheds of the lakes and their tributaries on of income and sources and application of funds of the administration for such fiscal year and a balance sheet of the administration as of the last day of such fiscal year. Such statements and balance sheet shall set forth in reasonable detail the results of operation and the financial condition of the administration and shall be accompanied by the opinion of a firm of independent public accountants selected by the administration with the concurrence of the Republic of Panama and the United States of America.

ARTICLE XXXI

1. The administration shall have, free of cost, unimpaired use of the waters of Madden, Gatun and Miraflores lakes and their tributary streams for the following purposes:

[a] The operation and maintenance of the Panama Canal.

[b] The generation of electric power. In meeting increased requirements for electric power exceeding the installed productive capacity of the plants existing as of the date the administration assumes its full responsibilities and functions under this treaty, the administration shall give preference to the purchase from the Republic of Panama of the electric power required, provided the Republic of Panama offers such electric power on technical and economic terms acceptable to the administration.

[c] The suppy of water for municipal purposes in the canal area; for the cities and populations of the Republic of Panama, on the same terms and conditions and in the same quantity as agreed between the Republic of Panama and the Panama Canal Company prior to the entry into force of this treaty or upon such terms and conditions and in such quantities as may be agreed between the Republic of Panama and the administration; and for the United States armed forces pursuant the understanding that the administration shall make available to the Republic of Panama the data and information obtained; and

[d] Inspect, maintain and repair the Gatun lake saddle dams at Lagarto, Escobal, Cano, Arroya, Canoa and Barro.

3. The Republic of Panama and the administration shall cooperate to:

[a] preclude any use or activity which would pollute Madden, Gatun and Miraflores lakes and their tributaries or otherwise interfere with their use by the administration for the purposes stated in paragraph 1 of this article;

[b] protect administration rainfall and river gauging stations from theft or vandalism; and

[c] preclude any excavation into, or removal of earth or vegetation from the Gatun lake saddle dams or their vicinities, or any other

activity which would degrade their stability as dams.

4. The provisions of this article shall not restrict the right of the Republic of Panama to make use of the waters in question except to the extent that such utilization by the Republic of Panama might interfere with or impede the operation and maintenance of the Panama Canal. The administration shall cooperate with and assist the Republic of Panama in obtaining from these sources, at the expense of the Republic of Panama but free of any charges by the administration, except charges for services provided, the quantities of water which may be required for the supplying of water to the metropolitan areas of the cities of Panama and Colon and other populations in the vicinity of those areas.

Call for studies of satellite lakes

5. The Republic of Panama and the administration shall cooperate in the carrying out of studies of the feasibility of the construction of satellite lakes in the subbasins of Indis, Chagres, Pequeni, Agua Clara, Boqueron, Gatun, Agua Sucia, Ciri, Trinidad and other rivers, with the objective of augmenting the water reserves necessary for the operation of the Panama canal and of assuring to the Republic of Panama the benefits of irrigation, generation of electric power, fish raising, and other similar activities which may be compatible with effective operation of the Panama canal.

6. The administration also shall cooperate with the Republic of Panama and its interested agencies with respect to the following matters:

[a] Reconnaissances, investigations, and studies of hydrologic resources of the area of the canal and of the metropolitan areas of the Republic of Panama adjacent to the canal, and programs and projects for the conservation and joint use of said resources by the Republic of Panama and the administration.

[b] Development of the hydroelectric potential of the watersheds tributary to the Panama canal and reduction of the cost of the production and distribution of electric power and potable water.

ARTICLE XXXII

Should use of or access to areas of land or water other than those defined in article III of this treaty be required for the operation, maintenance or security of the Panama canal, the Republic of Panama and the administration shall agree upon such measures as may be necessary to insure such use or access.

ARTICLE XXXIII

1. The administration shall operate the Panama canal both to provide the Republic of Panama and the United States of America a fair return in the light of their contributions to the creation and maintenance of this interoceanic waterway and in the interest of world commerce.

2. The administration may establish and apply new rates of tolls and related charges for the transit of the canal by vessels and cargoes, in conformity with the following provisions and with the provisions of paragraph [3] of this article:

[a] There shall be no discrimination based on the nationality of vessels or cargoes.

[b] Rates of tolls shall be established equitably and may be differentiated on the basis of fair and reasonable criteria.

[c] The administration shall take into consideration all studies of tolls caused to be made or submitted by the government of the Republic of Panama or of the United States of America.

[d] No change in the tolls shall take effect until the expiration of 12 months after the administration has given public notice of proposed changes in the tolls. During this 12-month period the administration shall give due consideration to the views of all interested parties.

[e] Tolls shall be payable in United States dollars.

Modified toll rates called for

3. In addition to mandatory requirements for operation and maintenance of the Panama canal, the administration, during the first three years of operation of the canal, shall modify the rates of toll for the sole purpose of covering the payments required to be made by the administration as specified in paragraph 4 of this article.

4. The funds of the administration shall be used for the following purposes in the order of priority specified below:

[a] Payment of operating and maintenance costs including an annual payment to the Republic of Panama at the end of each year of operation of the canal beginning with a payment in the amount of seventeen hundredths of a United States dollar [$0.17] per long ton of commercial cargo transiting the canal during the first year of operation by the administration, such annual payment to increase each year for the five succeeding years in the amount of one-hundredth of a United States dollar [$0.01] per long ton of commercial cargo transiting the canal during the respective year, the annual payment to the Republic of Panama to continue thereafter in the amount of twenty-two hundredths of a United States dollar [$0.22] per long ton of commercial cargo transiting the canal during each year of operation.

[b] Establishment of required working capital and reserve funds, including reserves for locks overhaul, plant replacements and capital improvements, and interest and other debt service costs.

[c] Payment of the current cost of capital improvement or additions.

[d] Payment to any other obligations incurred by or evidences of indebtedness issued by the administration.

[e] An annual payment to the United States of America at the end of each year of operation of the canal, beginning with a payment in the amount of eight hundredths of a United States dollar [$0.08] per long ton of commercial cargo transiting the canal during the first year of operation by the administration, such annual payment to increase each year for the two succeeding years in the amount of one hundredth of a United States dollar [$0.01] per long ton of commercial cargo transiting the canal during the respective year, the annual payment to the United States of America to continue thereafter in the amount of ten hundredths of a United States dollar [$0.10] per long ton of commercial cargo transiting the canal during each year of operation.

Provide for use of extra proceeds

5. After the payments referred to in paragraph 4 of this article have been made from the proceeds of the annual tolls revenues, any remaining proceeds from the revenues of the administration shall be paid in equal shares to the Republic of Panama and to the United States of America.

6. Payments to the Republic of Panama or to the United States of America as provided for in this article, or any portion thereof, may be waived by the government of the country concerned, or deferred by the administration, on terms and conditions acceptable to the government of the country concerned. Payments due to the Republic of Panama or to the United States of America as provided for in this article may be applied by the administration against any amounts owed to it by the Republic of Panama or by the United States of America, respectively.

ARTICLE XXXIV

1. The Republic of Panama declares the Panama canal to be neutral.

2. The Republic of Panama and the United States of America agree that the neutrality of the canal, the entrances thereto, and the territorial seas adjacent thereto, shall be maintained in accordance with the principles which have governed since the canal was opened.

3. The Panama canal, the entrances thereto, and the territorial seas adjacent thereto shall be free and open to the vessels of commerce and of war of all nations, on terms of entire equality and nondiscrimination, subject to:

[a] the payment of applicable tolls and charges;

[b] compliance with the applicable rules and regulations; including such rules and regulations as may be established in time of war or other emergency;

[c] The requirement that vessels using the Panama canal commit no acts of hostility in the Panama canal, the entrances thereto, or the territorial seas adjacent thereto.

Accord U.S. ships priority basis

4. Notwithstanding any other provisions of this treaty, the Republic of Panama and the United States of America shall have the right at all times to transport ships, including warships, owned, operated or chartered by them, and used solely for noncommercial purposes, and cargoes thereon, thru the Panama canal. For the purposes described in article XXXV of this treaty such vessels shall be entitled to use of the Panama canal on a priority basis.

5. Ships referred to in paragraph 4 of this article shall be charged tolls as established by the administration, but payment of such tolls shall be by credit against the sums payable under article XXXIII of this treaty to the country owning, operating or chartering such ships.

6. The Republic of Panama agrees to continue to apply to the Panama canal after the termination of this treaty the principles established in paragraphs 1, 2, 3 and 4 of this article. Any declaration of neutrality made by the Republic of Panama to implement the application of such principles shall be made in accordance with international law.

ARTICLE XXXV

1. The Republic of Panama and the United States of America shall provide for the defense, security, neutrality and continuity of operation of the Panama canal, the shipping therein, and the appurtenant and supporting facilities and services of the canal, and for the defense and security of the canal area, in accordance with applicable provisions of the treaty on the defense of the Panama canal and of its neutrality signed on this date.

2. Within a period of five years prior to the termination of the defense treaty referred to in paragraph 1 of this article, the Republic of Panama and the United States of America will agree on arrangements to insure the defense, security, neutrality and continuity of operation of the Panama canal after the expiration of this treaty.

ARTICLE XXXVI

1. During the period between the date of entry into force of this treaty and the date on which the administration assumes its full responsibilities and functions under this treaty, the Republic of Panama and the United States of America shall continue, respectively, to enjoy and exercise the same rights, powers and authority, and shall be subject to the same obligations, that each was enjoying and exercising, and was subject to, under the treaties terminated under article I of this treaty.

2. During this period the United States of America shall continue to operate and maintain the Panama canal and shall administer the canal area in accordance with the system in force in the Canal Zone immediately preceding the entry into force of this treaty.

3. During this period individuals and private firms and organizations residing, employed or operating in the canal area shall continue to have the same rights, privileges and status which they were enjoying immediately prior to the entry into force of this treaty.

ARTICLE XXXVII

1. Any dispute between the two governments concerning the interpretation or application of this treaty [including the validity of acts of the administration] which is not settled by negotiation shall, upon request of either government, be submitted to arbitration in accordance with the procedure set forth below.

2. Arbitration shall be by a tribunal of three arbitrators constituted as follows:

[a] One arbitrator shall be named by each government within one month of the date of delivery by either government to the other of a request for arbitration. Within one month after both arbitrators are named, the two arbitrators so designated shall by agreement designate a third arbitrator, provided that such third arbitrator shall not be a national of the Republic of Panama or of the United States of America.

[b] If either government fails to designate an arbitrator or if the third arbitrator is not agreed upon in accordance with subparagraph [a] of this paragraph, either government may request the International Court of Justice or, if the court should decline to act, the secretary general of the Organization of American States to designate the necessary arbitrator or arbitrators.

3. The expenses of the arbitral tribunal, including the fees and expenses of the arbitrators, shall be shared equally by the two governments.

4. All decisions of the arbitral tribunal shall be final and shall be binding on the Republic of Panama, the United States of America and the administration.

ARTICLE XXXVIII

1. Upon the entry into force of this treaty, all rights of the United States of America to real property in the territory which constituted the Canal Zone but which is not included in the canal area and in the areas described in annex A of the treaty on the defense of the Panama canal and of its neutrality, signed on this date by the Republic of Panama and the United States of America, and those areas outside the Canal Zone which are listed in paragraph 6 of annex I of this treaty, shall become the exclusive rights of the Republic of Panama, without cost. The Republic of Panama agrees to hold the United States of America harmless with respect to any claims which may be made by third parties relating to such real property, including the transfer of such rights to such real property to the Republic of Panama.

2. The Republic of Panama agrees that the transfer of rights referred to in paragraph 1 of this article shall not affect the tract of land comprising lots numbered 641, 643, 645 and 647 located on the southwest corner of the intersection of Bolivar avenue and 11th street in Cristobal and the improvements thereon which were conveyed to the Sojourners lodge of the Ancient Free and Accepted Masons by the Panama Railroad company on April 16, 1921. Further, the Republic of Panama agrees that the rights of persons and organizations to buildings and other improvements in the territory referred to in paragraph 1 of this article which was included in the Canal Zone shall be given recognition under the laws of the Republic of Panama. The Republic of Panama agrees to permit persons and organizations who on the date of the entry into force of this treaty conduct business or nonprofit activities in the territory referred to in paragraph 1 of this article which was included in the Canal Zone to continue such activities at their then locations in accordance with such arrangements concluded between the Republic of Panama and the interested persons or organizations as may be necessary. If any persons or organizations are required by the Republic of Panama to terminate their activities, they shall receive fair compensation for the value of the improvements placed by them on the land.

3. Any rights of the United States of America and of the administration to real property within the canal area shall, upon the termination of this treaty, become the exclusive rights of the Republic of Panama, free of cost, provided that this shall in no manner affect the rights of the United States of America pursuant to paragraph 1 of annex I of the treaty concerning a sea level canal connecting the Atlantic and Pacific oceans signed on this date. The Republic of Panama agrees to hold the United States of America harmless with respect to any claims which may be made by third parties relating to such real property, including the transfer of such rights to such real property to the Republic of Panama.

ARTICLE XXXIX

1. Upon termination of this treaty: [a] The Panama Canal shall come under the exclusive operational control of the Republic of Panama and all its appurtenant facilities and services and all property of the administration shall be the property of the Republic of Panama; and [b] all rights to property granted to the administration pursuant to the provisions of this treaty shall be enjoyed exclusively by the Republic of Panama. No compensation shall be owed by the Republic of Panama because of the provisions of this paragraph.

2. The Republic of Panama agrees to hold the United States of America harmless with respect to any claims which may be made by third parties relating to the assumption by the Republic of Panama of the rights referred to in paragraph 1 of this article.

ARTICLE XL

This treaty shall be ratified in accordance with the constitutional procedures of the two governments. The instruments of ratification shall be exchanged at Panama City as soon as possible.

ARTICLE XLI

1. This treaty shall enter into force upon the exchange of instruments of ratification and shall remain in force until Dec. 31, 1999.

2. If a sea level canal connecting the Atlantic and Pacific Oceans should be opened to traffic before Dec. 31, 1999, this treaty shall expire one year after the opening of the sea level canal.

3. If on or before Dec. 31, 1999, the United States of America, pursuant to the provisions of the treaty concerning a sea level canal connecting the Atlantic and Pacific oceans signed on this date, has commenced construction of a sea level canal in the Republic of Panama, this treaty shall expire one year after the opening of the sea level canal to traffic or on Dec. 31, 2009, whichever occurs first.

4. It shall be considered that the sea level canal has been opened to traffic on the date on which any vessel whose transit is subject to the payment of tolls passes thru the sea level canal.

FEDERAL RESERVE BOARD FACTS REFUTE FEDERAL RESERVE BOARD CHAIRMAN ON TAX HIKE

Mr. PROXMIRE. Mr. President, the prospects for a tax increase were given one of their biggest boosts when the highly respected Chairman of the Federal Reserve Board came out a few weeks ago squarely and emphatically for the prompt enactment of the Presidentially recommended tax increase.

Mr. President, this Senator vigorously disagrees with Chairman Martin. I do so because tax action by Congress should be based squarely on the state of the economy.

It is the most elementary economics that a tax increase at a time when the economy is not growing, when unemployment is increasing, when consumers are not significantly increasing their buying, would worsen economic conditions.

A further tax burden on American business will not persuade business to hire additional employees or to produce more. An additional tax on consumers is not going to persuade them to increase their buying.

All of us know that the reverse is true. A tax increase is a depressant.

Yet we not only have Mr. Martin calling for it, we also have the Chairman of the Council of Economic Advisers telling the Joint Economic Committee that a tax increase this year is inescapable.

Immediately after Mr. Ackley appeared before the committee, the Michigan State expert, Dr. Katona, the Nation's outstanding expert on consumer behavior, disclosed that his most recent consumer study concluded that their test indicated that consumers were unlikely to increase their buying significantly in the foreseeable future.

The eminent Dr. Paradiso, of the Department of Commerce, told the committee that inventories too large in relation to sales are still depressing the economy, and will continue to do so for some time; that business investment in plant and equipment—the prime accelerator of the economy during the years from 1964 through 1966—had sharply slowed down in its increase and would continue to advance far more slowly this year.

But the most eloquent, recent rebuttal of Mr. Martin and Mr. Ackley on the economic case for a tax increase came from the hard cold facts released just last Friday—July 14—by Mr. Martin's own Federal Reserve Board.

For years the FRB's index of industrial production has been considered the most significant single index in the economy. The Board reported Friday that industrial production in this presumably dynamic American economy had sunk to a 14-month low last month. This most significant measure of economic activity is now a full 1 percent below its level of last year.

Note that this is the index that grew by an average of 7 percent each year between 1958 and 1966. Even in a slow year the index might be expected to increase by 2 to 3 percent. But during the past year it did not grow at all. It declined, and last month was the poorest month—the month with the lowest production in more than a year.

Only a few days ago, the Bureau of Labor Statistics told the country that unemployment had reached 4 percent—admittedly a low level but still the highest level the economy has experienced in 18 months.

In addition, the hours worked in manufacturing once again dropped—this time to the lowest level in more than 6 years. Employers are reluctant to discharge workers. For humane reasons, and because it may be difficult to replace them if business picks up, the "pink slip" in the pay check is a last resort. But this serious and continuous slowdown in hours worked indicates that many employers may be close to discharging large

numbers of workers if business conditions continue slow.

This also indicates how swiftly and easily the economy could increase production without sharply increasing hiring and without corresponding inflationary pressures.

Mr. President, the President of the United States has wisely kept his powder dry. Of course, some administration spokesmen have called forthrightly for a tax increase. But the President has not renewed his proposal of last January for a July 1 6-percent surtax.

July 1 has come and gone. All the news commentators and financial experts expect the President to renew his demand for a tax increase soon, and emphatically, and call for it to take effect October 1 or January 1.

I hope that he will not do so. He would be well served not to do so.

Of course, the size of the budget deficit is an appropriate consideration and, without a tax increase, the deficit may be very large indeed. On the other hand, it is conceivable that in spite of a large deficit, tax increase could depress this stagnant economy of ours sufficiently so that even with higher tax rates, lower personal and corporate incomes would not yield much more—if any more—revenue.

Mr. President, I ask unanimous consent to have printed in the RECORD as the most eloquent argument against a tax increase the national summary of business conditions of the Federal Reserve Board for July 14, 1967.

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

FEDERAL RESERVE: NATIONAL SUMMARY OF BUSINESS CONDITIONS

Industrial production edged downward in June and retail sales were about unchanged. Nonfarm employment rose moderately but the average workweek in manufacturing declined further and the unemployment rate rose to 4.0 per cent. Bank credit, time and savings deposits, and the money supply continued to increase. Yields on Treasury bills advanced sharply between mid-June and early July and yields on most intermediate- and long-term securities rose moderately; thereafter rates declined somewhat.

INDUSTRIAL PRODUCTION

Industrial production in June was 155.2 per cent of the 1957–59 average as compared with 155.5 in May and 156.5 a year earlier. Declines in output of some final products and materials were partially offset by increased production of autos, crude petroleum, and defense equipment.

Auto assemblies rose 4 per cent in June and at 156 per cent of the 1957–59 average were at the highest level for this year. Production schedules for the third quarter, after allowance for an earlier and shorter model changeover period, are somewhat above the June rate. Output of television sets and radios was sharply curtailed in June because of a work stoppage at a major producer. Production of furniture and appliances also declined. Output of industrial equipment continued to drop and in June was 8 per cent below the December peak. Production of most other business equipment lines was maintained in June.

Production of iron and steel and most other industrial materials declined. Output of crude petroleum, however, increased partly as a result of the curtailment in Mid-East supplies.

EMPLOYMENT

Nonfarm employment rose by 150,000 in June as advances continued strong in Government and the service industries. Manufacturing employment, following 4 months of decline, increased moderately, but the average workweek declined 0.2 hours to 40.2 hours and was 1.1 hours shorter than a year earlier. The unemployment rate rose to 4.0 per cent from 3.8 per cent in May.

DISTRIBUTION

The value of retail sales in June was about unchanged from the April–May level, according to the Census Bureau's advance figures, and was 2.6 per cent above a year earlier. April through June sales at both durable and nondurable goods stores were 1.5 per cent above the preceding three months. A 2 per cent rise in June sales at durable goods stores offset a decline at nondurable goods stores. Dealer sales of new domestic autos in June were at an annual rate of 8.4 million units, up sharply from May.

AGRICULTURE

Record crop output is indicated by July 1 crop conditions and by the 5 per cent increase from a year ago in acreage to be harvested. Increases of 22 per cent in wheat output and 10 per cent in corn are forecast and expanded acreage of soybeans indicates a record for that crop too. Smaller crops are in prospect for cotton, oats, flaxseed, and dry edible beans.

As compared with a year earlier, June production of meat and poultry was up 2 per cent and eggs were up 6 per cent, while milk was down slightly.

COMMODITY PRICES

Grain prices, influenced by the favorable crop outlook, declined further from mid-June to mid-July. Prices of most other farm and food products were about unchanged from the advanced level reached in June when the total index was 1 per cent above the April low. Wholesale prices of industrial commodities apparently have continued to show little change with further increases in selected finished products offset by some further weakness in industrial materials.

BANK CREDIT, DEPOSITS, AND RESERVES

Bank credit rose only $300 million in June following increases of over $2 billion in each of the two previous months. Acquisitions of municipal and Federal agency issues, although large, were less than the average of other recent months. Holdings of U.S. Government securities declined sharply as the result of large maturities of bank holdings of tax anticipation bills in the last statement week of June. While business borrowing at banks rose substantially—in association with corporate needs for funds to meet accelerated tax payments—other types of loans rose only moderately.

The money stock increased $1.9 billion in June, almost as much as in May; the rapid expansion in both months was associated in large part with sharp reductions in U.S. Government deposits. Time and savings deposits expanded at a rate slightly faster than the already high rate earlier in the second quarter.

Total and required reserves increased in June following some reduction in May. Free reserves averaged about $260 million over the four weeks ending June 28, very close to the corresponding May average. Both borrowings and excess reserves dropped slightly.

SECURITY MARKETS

Treasury bill rates rose very sharply between mid-June and early July, but then eased off, with the 3-month bill bid at around 4.15 per cent in the middle of July.

Yields of intermediate- and long-term Government securities rose further in the second half of June and declined thereafter.

Yields on corporate bonds rose sharply in June, but early in July showed signs of leveling off. Municipal yields, meanwhile, were advancing, but at a slower rate. Throughout June and early July, common stock prices fluctuated within a narrow range.

Business index

[1957–59 average equals 100]

Series	Seasonally adjusted				Not seasonally adjusted			
	1967				1967			
	June [1]	May	April	1966—June	June [1]	May	April	1966—June
Industrial production, total	155	156	156	157	158	157	158	159
Market groupings:								
Final products	156	156	157	155	159	156	[2] 158	158
Consumer goods	146	146	[2] 147	147	149	145	[2] 147	150
Business equipment	180	182	[2] 184	180	184	[2] 183	[2] 186	184
Materials	155	155	[2] 159	158	158	157	158	161
Industry groupings:								
Manufacturing	157	157	158	159	160	159	160	162
Durable goods	162	[2] 162	163	165	165	165	165	169
Nondurable goods	151	151	152	151	154	[2] 152	[2] 154	154
Mining	123	121	[2] 123	122	124	[2] 122	123	123
Utilities	182	[2] 181	180	172				
Employment and payrolls:								
Nonagricultural, total	124.8	[2] 124.5	124.7	121.8	125.9	[2] 124.4	123.7	122.9
Manufacturing, production workers:								
Employment	111.9	[2] 111.7	[2] 112.4	113.4	112.4	[2] 111.1	111.4	113.9
Payrolls [3]	150.0	[2] 149.9	[2] 151.0	150.1	152.4	[2] 149.9	[2] 148.9	152.5
Freight carloadings	89.7	93.1	95.9	95.1	93.5	94 4	95.7	99.9

[1] Preliminary.
[2] Revised.
[3] Value data.

Mr. PROXMIRE. Mr. President, the art of economic prediction is never easy. If experience with forecasting economic development as the basis of policy teaches anything, it teaches caution.

At the moment, of the 12 leading indicators, six are pointing toward recession and six toward economic expansion. That is a considerable improvement as compared to the situation a few months ago when nine pointed toward recession and only three toward better times.

Certainly the predominate view from the experts is that under the impact of a very large Federal deficit the economy is more likely to grow than to continue to stagnate.

But, it is a long, long way, Mr. President, from the prediction that the economy will grow to the assertion that

that growth will be inflationary and must be restrained by a multibillion-dollar increase in taxes.

To sum up my position on the tax increase, Mr. President, it is this:

First. Any increase in taxes should be based squarely on whether that increase is necessary to restrain inflation, and whether it will permit maximum economic growth consistent with price stability.

Second. The economy has been declining, not growing, for the past year. This is evident from the statistics on industrial production, lower than last year; unemployment which is rising; hours of work in manufacturing—the lowest in 6 years; level of capacity utilization—the lowest in 3 years; size of the work force—virtually no increase for the past 6 months, in spite of population growth; and the continued growth of inventory in relation to sales.

Third. The just-mentioned statistics on the economy indicate that the economy can grow steeply in the next several months resulting in longer hours of production, a growth in the labor force, reduction in inventories in relation to sales, reduced unemployment—all without putting any strain on the economy which would drive prices up.

Fourth. In the event the economy does suffer strain, the reduction of spending, especially in the area of public works, can be postponed or canceled before it is necessary further to restrain the economy by higher taxes.

As a balancing counterpoint to the report of the Federal Reserve Board, I ask unanimous consent that a column from this morning's Wall Street Journal, pointing to the brighter spots in the economy be printed in the RECORD.

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

THE OUTLOOKS: APPRAISAL OF CURRENT TRENDS IN BUSINESS AND FINANCE

(By Alfred L. Malabre, Jr.)

Economic pessimists received grist for their mills last week when the Labor Department announced the mid-June unemployment figures. For the first time since 1965, the nation's jobless rate touched 4%, up from 3.8% in May and only 3.6% as recently as March. Before the latest jobless report generates too much gloom, however, it would be well not to overlook some much sunnier, and probably more significant, economic developments.

In the first place, business history clearly demonstrates that unemployment levels normally tell little about the future trend of the economy. Rather, they tend to reflect general business conditions as they currently prevail. For this reason, labor-force unemployment is customarily classified as a "coincident indicator" of overall business activity.

To glimpse the probable course of business, most economic prophets peruse not such coincident indicators as unemployment and industrial output but so-called leading indicators of economic activity. Over the years, 12 leading indicators—compiled with Government assistance by the nonprofit National Bureau of Economic Research—have been found particularly reliable in foreshadowing business trends.

The message these key leading indicators are flashing now is that the business outlook is not nearly as gloomy as back in the spring, when unemployment was safely below the 4% mark.

A review of the 12 key leaders, based on the latest reports available, shows that half of the 12 point up, toward improving business in the months just ahead, and half point down, toward a recession. This is a markedly different picture from earlier in the year. In the May 8 issue of The Wall Street Journal, in his final "Outlook" column before retiring, George Shea conducted a similar review of the 12 leaders. The finding: Nine of the 12 pointed down and only three pointed up.

The key leading indicators, as well as dozens of other economic indicators, are recorded monthly in a Commerce Department publication called Business Cycle Developments. According to the June issue, as well as more recent statistical reports, the leading indicators that now say the economy will expand are new orders received by makers of durable goods, net new business formations, contracts and orders for plant and equipment, new private housing permits, industrial material prices and the ratio of prices to unit labor cost in manufacturing.

The six indicators that point to reduced business activity, on the other hand, are the average workweek of production workers, job placements in nonagricultural industries, the change in the book value of manufacturing and trade inventories, the monthly average of 500 stock prices, corporate after-tax profits and the net change in consumers' instalment debt.

Among the indicators that have turned up since the review by Mr. Shea are two that most economists consider especially reliable forerunners of business conditions—manufacturers' new durable-goods orders and contracts and orders for plant and equipment.

In May, the latest month available, durable-goods orders climbed to $23.9 billion, the highest total since late 1966. The May total was almost $2 billion higher than in March, when orders for durable goods hit the lowest level since early 1965. Similarly, the plant-contract total rose to nearly $5.7 billion in May, exceeding the level for any month since last October. Early this year, the contract figure was at the lowest point since the fall of 1965.

At the same time, the stock-price indicator, among the six yardsticks pointing downward, clearly pointed in the direction of better business at the time of the Shea review. As he observed then, stock prices generally have "risen since October, not only through March but also through April and into May."

The stock-price level continued to climb through May, the record now shows, reaching the highest point in more than a year. But in June, the price level fell. Now, however, there are signs that the June decline may only have been a temporary development, and that July's average may turn out to be higher. If this should be the case, it would put still another key leading indicator on the side of continuing business expansion in coming months.

Two more of the six indicators that point down may well be nearing levels at which a further decline is unlikely. These yardsticks are the inventory-change figure and the instalment-debt indicator.

In May, the latest month available, the value of inventories rose by only about $60 million. This compares with giant monthly increases earlier, ranging from about $10 billion to more than $20 billion through 1966 and into early 1967. It is possible, of course, that the inventory-change total may continue to drop for a while. But the economic record of the post-World War II era certainly suggests that this indicator is nearing a level at which a turnaround is likely before many months pass.

Similarly, the increase in consumers' instalment debt in May was the smallest such rise in nearly six years. At $2.3 billion, the May gain was down sharply from monthly increases of more than $5 billion as recently as last fall. Again, economic history shows that when the debt rise gets as small as it was in May a turnaround is normally not many months away.

The remaining indicators that point toward slower business in the months just ahead appear less likely to reverse direction soon. Corporate profits generally dropped in the first quarter, and most current reports indicate no change of direction. The average workweek, at 40.2 hours in June, remains at a level considerably above those prevailing through much of the postwar period. And the job-placement total, at 448,000 in May, could sink a good deal lower, the record suggests, before heading upward again.

Whatever way these and the other key leading indicators do point as 1967 unfolds, one thing seems very clear. Overall, the key yardsticks no longer point unhesitatingly in the direction of a recession. They may not signal an economic expansion either. But the recent change is nonetheless very welcome.

THE PANAMA CANAL JURIDICAL STRUCTURE—PART I: THE HAY-PAUNCEFOTE TREATY

Mr. THURMOND. Mr. President, all who have delved deeply into the history of interoceanic canals know that the problems of the Panama Canal are highly complicated and cover a wide range of subjects, including law, geology, engineering, and economics. In the days to come we shall hear much of these problems.

For present purposes, the first in importance is the juridical base formed by the three important treaties:

First, the Hay-Pauncefote Treaty of 1901 with Great Britain.

Second, the Hay-Bunau-Varilla Treaty of 1903 with Panama for the acquisition of the Canal Zone and the construction of the Panama Canal and its subsequent maintenance, operation, sanitation, and protection.

Third, the Thomson-Urrutia Treaty of 1914–22 with Colombia which was intended to remove "all the misunderstandings" incident to the Panama Resolution of 1903, and recognized the title to the Panama Canal and Railroad as vested "entirely and absolutely" in the United States.

Today, I wish to confine my remarks to the Hay-Pauncefote Treaty. Under the terms of this agreement the United States made the long-range commitment for the construction and operation of a ship canal between the Atlantic and Pacific Oceans by whatever route that may be expedient. The policy was viewed by our statesmen of that era as a "mandate for civilization."

Because of the major significance of this treaty, the policy behind which has been accepted by all nations that use the Panama Canal and has become a part of international law, some of its features should be stressed. This treaty—

First. Recognizes the "exclusive right" of the United States to construct an isthmian canal and to provide for its "regulation and management."

Second. Adopts the principles of the convention of Constantinople of 1888 for the Suez Canal as applying to the operation of an isthmian canal.

Third. Provides for free and open navigation by vessels of commerce and

war of all nations on terms of equality with tolls that are just and equitable.

Fourth. Empowers the United States to protect the canal against "lawlessness and disorder."

Although this treaty did not specifically authorize the fortification of the canal, the Landsdowne memorandum of August 3, 1901, in commentary on its provisions prior to ratification, stated, as regards measures for its protection, that "it might be of supreme importance to the United States that they should be free to adopt measures for the defense of the canal at a moment when they were themselves engaged in hostilities," and that "there is no stipulation prohibiting the erection of fortifications commanding the canal or the water adjacent."

Certainly, Mr. President, the responsibilities of the United States according to the premises of the Hay-Pauncefote Treaty are not of the type that ought to be abdicated by delegation to some other sovereign nation or organization but must be borne by the United States alone. Delegation of this authority would be a clear violation of the spirit of our legal responsibilities.

In order that all Members of the Senate may have the full text of the Hay-Pauncefote Treaty for study in advance of submission of the proposed treaties with Panama, I ask unanimous consent to have printed at this point in the CONGRESSIONAL RECORD the full text of the indicated treaty.

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

3. GREAT BRITAIN, 1901: TREATY TO FACILITATE THE CONSTRUCTION OF A SHIP CANAL [1] (HAY-PAUNCEFOTE TREATY)

(Concluded November 18, 1901; Ratification advised by Senate December 16, 1901; Ratified by President December 26, 1901; Ratifications Exchanged February 21, 1902; Proclaimed February 22, 1902. (32 Stat. 1903))

ARTICLES

I. Convention of April 19, 1850, superseded.
II. Construction of canal.
III. Rules of neutralization.
IV. Change of sovereignty.
V. Ratification.

[§ 31] The United States of America and His Majesty Edward the Seventh, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, and Emperor of India, being desirous to facilitate the construction of a ship canal to connect the Atlantic and Pacific Oceans, by whatever route may be considered expedient, and to that end to remove any objection which may arise out of the Convention of the 19th April, 1850, commonly called the Clayton-Bulwer Treaty, to the construction of such canal under the auspices of the Government of the United States, without impairing the "general principle" of neutralization established in Article VIII of that Convention, have for that purpose appointed as their Plenipotentiaries:

The President of the United States, John Hay, Secretary of State of the United States of America;

And His Majesty Edward the Seventh, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, and Emperor of India, the Right Honourable Lord Pauncefote, G.C.B., G.C.M.G., His Majesty's Ambassador Extraordinary and Plenipotentiary to the United States;

Who, having communicated to each other their full powers which were found to be in due and proper form, have agreed upon the following Articles:

ARTICLE I

[§ 32] The High Contracting Parties agree that the present Treaty shall supersede the afore-mentioned Convention of the 19th April, 1850.[2]

ARTICLE II

[§ 33] It is agreed that the canal may be constructed under the auspices of the Government of the United States, either directly at its own cost, or by gift or loan of money to individuals or Corporations, or through subscription to or purchase of stock or shares, and that, subject to the provisions of the present Treaty, the said Government shall have and enjoy all the rights incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal.

ARTICLE III

[§ 34] The United States adopts, as the basis of the neutralization of such ship canal, the following Rules, substantially as embodied in the Convention of Constantinople, signed the 28th October, 1888, for the free navigation of the Suez Canal, that is to say:

1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these Rules, on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic, or otherwise. Such conditions and charges of traffic shall be just and equitable.

2. The canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder.

3. Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary; and the transit of such vessels through the canal shall be effected with the least possible delay in accordance with the Regulations in force, and with only such intermission as may result from the necessities of the service.

Prizes shall be in all respects subject to the same Rules as vessels of war of the belligerents.

4. No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal, except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

5. The provisions of this Article shall apply to waters adjacent to the canal, within 3 marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than twenty-four hours at any one time, except in case of distress, and in such case, shall depart as soon as possible; but a vessel of war of one belligerent shall not depart within twenty-four hours from the departure of a vessel of war of the other belligerent.

6. The plant, establishments, buildings, and all works necesssary to the construction, maintenance, and operation of the canal shall be deemed to be part thereof, for the purposes of this Treaty, and in time of war, as in time of peace, shall enjoy complete immunity from attack or injury by belligerents, and from acts calculated to impair their usefulness as part of the canal.

ARTICLE IV

[§ 35] It is agreed that no change of territorial sovereignty or of the international relations of the country or countries traversed by the before-mentioned canal shall affect the general principle of neutralization or the obligation of the High Contracting Parties under the present Treaty.

ARTICLE V

[§ 36] The present Treaty shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by His Britannic Majesty; and the ratifications shall be exchanged at Washington or at London at the earliest possible time within six months from the date hereof.

In faith whereof the respective Plenipotentiaries have signed this Treaty and thereunto affixed their seals.

Done in duplicate at Washington, the 18th day of November, in the year of Our Lord one thousand nine hundred and one.

[SEAL] JOHN HAY

[SEAL] PAUNCEFOTE.

[1] This Treaty superseded the Convention of 1850 (Clayton-Bulwer Treaty), § 1 et seq., ante.

[2] For Convention of April 19, 1850, see § 1 et seq., ante.

KIWANIS INTERNATIONAL

Mr. DIRKSEN. Mr. President, Kiwanis International, which is headquartered in my home State of Illinois, in the great city of Chicago, has added to its distinction as an outstanding service organization in the world today.

Kiwanis International is meeting the charge that service clubs are knife-and-fork groups that meet, eat, and run. It is doing this by the effective method of increasingly speaking out on the issues of the day—not in a partisan vein—but speaking out on basic principles that are meaningful and also providing a forum for varying points of view, in the sound belief that proper and wise decisions can and will only be made by citizens who have and understand the facts.

I am happy and proud to pay tribute to the more than 270,000 members of Kiwanis International for the outstanding resolutions which the house of delegates of Kiwanis International—some 4,300 strong—approved during the 52d Annual Convention of Kiwanis International, June 25 to 29, in Houston, Tex.

The resolutions are:

1. REAFFIRMATION OF FAITH IN A SUPREME BEING

Kiwanians point with pride to the first Constitutional Object of Kiwanis International, "To give primacy to the human and spiritual, rather than to the material values of life," and believe that God works through His children, and that His presence is demonstrated in the lives of those who worship a Supreme Being.

Therefore, be it resolved that all Kiwanians reaffirm and demonstrate their belief in a Supreme Being by actively participating in and supporting their respective religions, and by advocating the application of spiritual and moral values to the solution of the social and economic problems of our nations.

2. VOLUNTARY PRAYER IN PUBLIC SCHOOLS

Kiwanians believe that the framers of the Constitution of the United States were God-fearing men who intended that the Constitution permit freedom of worship and prayer. The restriction of voluntary nondenominational prayer or worship is a direct violation of these rights.

Therefore, be it resolved that Kiwanis clubs through their members:

1. Work toward alerting the community to the importance of making voluntary, non-denominational prayer in public schools an inalienable right.

2. Urge the support and the adoption of an amendment to the Constitution of the United States providing substantially that nothing contained in the Constitution shall prohibit the authority administering any school, school system, educational institution or other public buildings supported in whole or in part through the expenditure of public funds from providing for or permitting the voluntary participation by students or others in non-denominational prayer.

3. Respect for the Flags of Our Nation

The flag is the visual manifestation and symbol of the history and tradition of a nation. It represents the ideals of its past, the glory of its present and the hopes of its future. Around a nation's flag revolves patriotism and love of country, noble concepts of the human heart. Respect for the flag reveals the finer elements in the individual.

Therefore, be it resolved that Kiwanians everywhere issue a clarion call for sincere respect, honor and reverence for the flags of our nations and the high ideals portrayed in their shimmering folds, and that each Kiwanian rigidly observe all formalities prescribed for according proper respect to the flag of his nation.

4. United States and Canada—Our Heritage

No two countries among the nations of the world have been more endowed by their Creator than Canada and the United States, the countries of Kiwanis origin.

Our towering forests, rushing rivers and other resources beyond comprehension are God-given assets which we should forever cherish. However, the greatest of our assets is the close association and friendly rapport developed over the years by the citizens of both countries, each country having a heritage of which it can be justly proud.

Therefore, be it resolved that Kiwanis International continually foster and promote this association, endeavoring to widen understanding and strengthen cooperation between our two countries, and dramatize this relationship as a pattern to be emulated by all nations.

5. Our Kiwanis Family

Kiwanis, Circle K and Key Club are the three components of the Kiwanis Family. Our pride in this association is of paramount importance and each organization needs the encouragement and inspiration which come from this relationship. Sponsorship of our two youth organizations is a goal toward which all Kiwanis clubs should aspire.

The participation of individual Kiwanians in Circle K and Key Club meetings, programs and activities is a cardinal aspect of our sponsorship. These young men are our future leaders, and through our examples we must guide them toward meaningful dedicated personal service. Kiwanians should live the type of adult life and set the pattern we would like our youth to emulate.

Therefore, be it resolved that each Kiwanis club sponsoring a Circle K or Key Club fulfill its obligations of sponsorship thus helping these young men to achieve their greatest potential.

Be it further resolved that Kiwanis clubs make every effort to strengthen and improve effective communication among our organizations and rededicate ourselves to the youth of our nations.

6. Respect for Law and Order

In these days, certain groups have inflamed the uninformed and the discontened, promised them the Utopia of something for nothing, encouraged them to want democracy and freedom without responsibility, and confused license with liberty. Such activity has undermined the respect for law which is necessary if an orderly civilization is to be maintained.

Therefore, be it resolved that all Kiwanians:

1. Make known our belief in the right of the people of a free society to defend themselves, their establishments, and their laws, and to insist that changes in laws be made only in accordance with contitutional procedures.

2. Deplore the lack of civility and responsibility which has swept our nations in recent times, and publicly condemn those who flout and disregard our laws.

3. Condemn all those who tend to glamorize and make heroes of those who engender strife and disrespect for law.

4. Realert all men to the fact that the communist technique is to disrupt, divide and destroy.

5. Implore men of good will everywhere to instill in all people by precept and example a respect for law and the determination to maintain order.

6. Express their gratitude and appreciation to the many able and conscientious law enforcement officers for their dedicated services.

7. Safety—Our Individual Responsibility

Death is inevitable, but it parades our highways to the extent that all motorists approach a rendezvous with it daily. Kiwanis must make a major thrust to arrest this deplorable carnage.

The individual behind the wheel is the key factor in curbing the high accident rate. Mechanical safety equipment, and the engineering and structural design of safe traffic ways are not enough. The driver's action or reaction, technique and behavior are largely influence by attitude, physical fitness, previous training and education.

We must also be concerned with safety in the home, in industry, on the farm and around water.

Therefore, be it resolved that Kiwanians accept individual responsibility to reduce this high accident rate and Kiwanis clubs promote safety through:

1. Urging rigid enforcement of all traffic laws and ordinances and the imposition of effective penalties upon convicted violators.

2. Placing and erecting placards, stickers and safety signs.

3. Distributing Kiwanis and other safety publicity materials to press, radio and television.

4. Encouraging and co-sponsoring driver training and education courses and the adoption of uniform traffic laws.

5. Cooperating with all national, state, provincial and local traffic safety programs.

8. Air and Water Pollution

The desecration of our God-given resources by the pollution of air and water is a menace to mankind.

Streams and rivers which were once pure and beautiful are being polluted to the point where their life-giving qualities are critically impaired. Contamination of the air by industrial, automotive and other noxious gasses is endangering the lives of our citizens.

Therefore, be it resolved that Kiwanians, by individual and club action:

1. Urge their legislative representatives to institute, support and enact appropriate legislation to correct this condition.

2. Call upon all duly constituted authorities to strictly enforce legislation dealing with pollution.

3. Initiate and co-sponsor educational and action programs designed to alert all citizens to the seriousness of this problem and inform them of the practices and abuses which endanger these valuable resources.

4. Commend and recognize individuals, industries and institutions who by voluntary action are helping to overcome this problem.

9. Vietnam

The United States and other nations of the free world are engaged in mortal combat with the doctrine and the forces of communism. These forces have as their sole aim the destruction and defeat of the free world. The current point of contact with these forces in Vietnam and the freedom of millions of people is at stake. Members of our Armed Forces are dying every day that these people may remain free.

Therefore, be it resolved that we reacknowledge our debt of gratitude to all men and women in the Armed Forces of our nations and express to them our full support.

Furthermore we encourage those responsible for the conduct of the war in Vietnam to take all steps necessary to bring this conflict to a quick and victorious conclusion, protecting the valiant South Vietnamese people from any and all future communistic aggression.

10. Preserving Our Individual Freedoms

With every privilege and right there is a responsibility; therefore it is the duty of every citizen to assume his responsibilities in a free society.

Therefore, be it resolved that Kiwanis International calls upon its members to:

1. Accept the responsibilities which each has in our free society.

2. Preserve economic freedom by actively promoting the free enterprise system.

3. Carefully select and vote in all elections for those possessed with the capacity, the ability and the will to make, interpret and enforce the laws that will preserve our freedoms.

4. Make our views on current issues known to those in authority.

5. Demand the full application of the systems of checks and balances prescribed for our governments.

6. Alert all citizens to the dangers which excessive bureaucracy in government poses to our freedom.

Special, New Nations in Kiwanis

Since our last International Convention, Kiwanis has expanded into new areas. New additions to the Kiwanis family of nations include Australia, Colombia, Denmark, New Zealand, Nicaragua, and Sweden.

New Kiwanis Clubs in these nations have adopted the objects of Kiwanis International and are bringing them to new life as new Kiwanians give service to their fellow men and to their communities. The efforts of these new wearers of the "K" will be reflected in the increased well-being of the citizens of their communities. It is hoped that this expansion of Kiwanis will bring about a better understanding among the peoples of the world.

Therefore be it resolved that we the delegates of the 52d convention of Kiwanis International extend you a hand of friendship, we welcome you into the fellowship of Kiwanis and seek your cooperation in our efforts to build a better world.

Mr. President, I also want to commend the delegates to Kiwanis International for their wisdom in electing one of my outstanding constituents as a trustee of Kiwanis International for a 2-year term beginning August 1. That individual is Roy W. Davis, of Homewood, Ill., a vice president of the Continental Illinois National Bank & Trust Co. of Chicago and the current president of the Kiwanis International Foundation. Roy Davis' attributes are many. I ask unanimous consent that there be printed at the conclusion of these remarks a summary of Mr. Davis' background; a speech entitled "The Ghettos of Indifference," which he delivered to his own Kiwanis Club of

Chicago recently; and an editorial entitled "Make It Your Foundation," published in the March issue of the Kiwanis magazine, concerning the work of the Kiwanis Foundation, Inc.

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

INTERNATIONAL TRUSTEE: ROY W. DAVIS, CHICAGO, ILL.

QUALIFICATIONS IN KIWANIS EXPERIENCE

Positions in club

Present: Director, Chicago Kiwanis Foundations (since 1957).

Past: President, Secretary. Director for several years.

Positions in district

Past: Lieutenant Governor, Governor-elect, Governor, Secretary. Chairman of several committees.

Positions in Kiwanis International

Present: Member, Special International Committee on Organization Study. Trustee, The Kiwanis Foundation, Incorporated since 1961. Chairman of the Executive Committee and President of The Kiwanis Foundation since 1964.

Past: Member, International Committee on Support of Churches in Their Spiritual Aims.

How long a Kiwanian? 19 years.

Of what Kiwanis Club first a member? Chicago, Illinois.

QUALIFICATIONS IN GENERAL

Business or Profession: Banker. Age 54.

Education: Graduate, Northwestern University School of Commerce. President of Chicago Campus Class 1943. Awarded Delta Sigma Pi key "highest rank in scholarship, leadership, and promise of future usefulness." Graduate School of Banking, University of Wisconsin 1950.

Personality, Ability, etc.: Organizational, administrative, and public speaking abilities have been demonstrated in professional, community, religious, as well as Kiwanis circles.

Positions in or Service to:

City: Chairman, Chicago Trades and Industries. American Cancer Society. Homeward-Flossmoor Community Chairman, National Conference of Christians and Jews. Member, Laymen's Committee Billy Graham Greater Chicago Crusade. Director, South-Suburban Family Counseling Service.

State: Member, Illinois State Chamber of Commerce.

Trade or Professional Organizations: Member, American Institute of Banking.

Civic, Philanthropic and other organizations: Lay minister, St. Paul Community Church since 1958. Church School Superintendent, 1952 to 1958. Treasurer, Bethany Brethren Hospital. Trustee, Bethany Theological Seminary.

In what specific ways and for what specific reasons could he add strength to and be of service on the International Board of Trustees: Broad Kiwanis service with years experience has been enhanced by service on Special International Committee on Organizational Study. Kiwanis Foundation has progressed noticeably under Davis' direction. Davis would bring to the Board a wealth of professional financial experience as well as broad knowledge of civic and community endeavors.

General Facts: Married. Wife, Evelyn, Son, Bryan, a Doctor of Medicine and also married. Daughter, Nancy, is a Senior at Northern Illinois University. Military: Served with the U.S. Army. Member, American Legion.

THE GHETTOS OF INDIFFERENCE

(An address by Roy W. Davis)

(NOTE.—R. W. Davis is Vice President, Continental Illinois National Bank and Trust Company of Chicago; President, Kiwanis Foundation, Incorporated; Past Governor, Illinois-Iowa District of Kiwanis International; Past President, Kiwanis Club of Chicago; Lay Minister, St. Paul Community Church, Homewood; Trustee, Bethany Brethren Hospital, Chicago; Member Advisory Committee, Bethany Theological Seminary, Oak Brook.)

Recently I read a book the Title of which continues to haunt me. It was called "The Ghetto of Indifference." All of us are concerned about the ghettos of our inner cities and deplore the living conditions of those who must make their homes in these areas. Too often we say about them, "Such persons just don't seem to care."

I suggest to you that there is another "ghetto" of equal concern. Strangely, such ghettos are not limited to the slum areas of our cities. More and more people everywhere "just don't seem to care," about the other fellow. Nor do they care particularly about country, God, the law of the land, or right versus "the establishment." Adam Clayton Powell is a current hero to many people simply because he has presumably beaten the establishment. If he can get money out of the government, "why not?"—everybody else does. Fewer and fewer people really care about our government—its system of checks and balances. "Free enterprise" and the profit system come in for an unusual amount of abuse among our so called intellectuals on campuses everywhere.

"The Dangerous man," as Elton Trueblood remarked, "is not the man who doubts—but the man who does not care." But this Ghetto is even more subtle—it promotes the philosophy of avoidism. In a recent article entitled "Memoirs of a PTA Dropout," Roger Price, editor and publisher of America's newest zany magazine called "Grump" wrote:

"Avoidism, a dynamic example of New Thought, which I founded several years ago, is known primarily as the only discovered cure for the inability to cope with life—or copelessness. Its basic principle is simple. An avoidist avoids. Charter Member Peter Hillarion recently summed up the basic theory when asked why he had never climbed Mt. Everest, 'Because it's there' he said with calm assurance. It is men like Hillarion who inspire us all to greater depths of lethargy and nonparticipation."

To be sure this is a "tongue-in-cheek" article—but there's an element of truth in it. I live in Homewood. Our sister village immediately to the south is Flossmoor. The Daily News recently carried an article that the residents of Flossmoor are the highest per capita income group in the entire middle-west. Yet recently the *Homewood Flossmoor Star,* our local newspaper, carried an article by the local police chief which begged residents to let the police know of any suspicious characters or unusual events which should be investigated. It pointed out recent burglaries in broad daylight in the sight of residents who did not report them because they "did not want to get involved." Is this a Ghetto? Of course it is—a Ghetto of indifference.

We in Kiwanis must be dedicated to personal involvement. A man who wears the "K" is the man who cares. The Ghetto of Indifference has no place in Kiwanis, for our members are dedicated to service above self. Yes, Kiwanis is a service club. Sometimes we are asked, "Can't you be of service without joining a club?" Of course, but the fact is we probably would not serve if we had to do it alone. Our real purpose is to do together that which we cannot or would not do alone. Can you imagine me selling peanuts at the corner of LaSalle and Jackson Boulevards wearing a silly hat and apron if I was the only man in town doing this project. Really, bankers are more conservative than that—at least we were considered so until the charge card system was launched. But since thousands of other Kiwanians are also selling peanuts on the fourth Friday of September I gladly do my share without any embarrassment and with real *pride.* "Doc" Thrasher and I have had the block around the Continental Bank Building for several years and we are an effective team because we work together. Kiwanis is a matter of team work.

We in Kiwanis must join hands to preserve our freedoms. This has been one of our prime objectives in Kiwanis for many years. Too many of us are indifferent to the loss of freedoms because we are losing them just a little bit at a time. In fact many of us find it difficult to define freedom. I like the following definitions by Wilferd A. Peterson.

Freedom is a *personal* thing.

Freedom is an open door, but you must walk through it.

Freedom is a ladder, but you must climb it.

Freedom doesn't mean that you can do what you please, but it does mean that there isn't anything holding you back from striving to make your finest dreams come true.

Freedom is yours now, and what you do with it is up to you. You can aim at the highest goal.

Freedom is an invitation to be creative . . . to paint, sing, carve, write, or build according to your heart's desire.

Freedom is your right to be yourself, to make mistakes, to fail and try again. No failure is final; freedom always gives you another chance.

Freedom is also a blessing to be shared, for it is the opportunity to dedicate your life to the service of others. The fruits of freedom depend upon the interaction of the thoughts, ideas and ideals of men.

Freedom is a wide horizon gleaming with promise. It is your key to an inspiring future. The only shackles you must break are within you. You practice the art of freedom when you make the most of all that freedom offers.

Freedom is God's gift to you. "Where the spirit of the Lord is, there is liberty," wrote St. Paul.

Thank God for your freedom. It is what makes life on earth worthwhile.

Yes, we must preserve these freedoms if we are to preserve our way of life. We must convince the academic world and the young people of our day that "profits" are essential. The late President John F. Kennedy had this to say on the subject. "In a free enterprise system there can be no prosperity without profit. We want a growing economy and there can be no growth without investment that is inspired and financed by profit." We in The Kiwanis Foundation, Inc. are dedicated to the preservation of the free enterprise system and the dissemination of objective information about it. We hope to produce a motion picture film with brochures and other materials which tell the story objectively and truthfully. Our plans are already well underway.

Perhaps the most frequent question we as individual Kiwanians ask of ourselves is this, "Is my personal effort really worthwhile?" Sometimes we get discouraged and think that it doesn't really matter what we think or do—we're so small—so insignificant. Those of you who have been privileged to attend our District Convention will remember the presentations of the Spastic Paralysis Research Foundation. There is no more touching sight in the world than to see a youngster, now normal and well, brought by his parents to the stage and glimpse Doctor Luis Amador, our director. Inevitably the youngster runs into and is swept up in an emotional embrace by Doctor Amador. No one can hear his story of helping these youngsters obtain a normal life without a glow of pride in being a Kiwanian who helps in such a worthy project.

Not all of us have a starring role. Sometimes the average Kiwanian, way in the background, is the unsung hero. The story is told of a tour of the prison in Tewksbury, Massachusetts a few years ago. The visitor

was conducted on the tour by an elderly lady whom we shall call Maude Jones. Maude had hoped to be a missionary, but went to work in the prison to support her orphaned brothers and sisters. She inquired if the visitor would like to see the cell in which Annie Sullivan was kept. She described those early days—how Annie was put into the cell in an ugly unruly mood, profane and vulgar. Gradually Maude Jones won her confidence. In due time Annie Sullivan became a rational, normal person. Although she had refused her food at first, now she and Maude became friends. It was about this time that a well-to-do family in the south called the Perkins Institute of the Blind to ask if there were someone who might be a companion to a little blind girl who was also deaf. Annie Sullivan had made such a miraculous recovery that she was offered this assignment and she accepted it. Her work with the little blind girl was so successful that the little blind girl grew up to be one of the greatest women of our time—Helen Keller. Just before Annie Sullivan's death a few years ago, Helen Keller stated publicly, "If it had not been for Annie Sullivan, the world would never have heard of Helen Keller; for I was destined to be in a world of my own—a world of silence and darkness. But it was Annie Sullivan who brought light and life." This touching story was made into a motion picture which won the Academy Award—"The Miracle Worker."

Anne Bancroft starred in this picture. So the whole world knows the story of Annie Sullivan and of Helen Keller, but no one ever heard of Maude Jones. Yet, if Maude Jones had not "cared" enough to win the confidence and friendship of Annie Sullivan and restore her to being a normal person, the story of Helen Keller would not have been possible. I say to you, *each one of us*, though our role may be minor—though the world may never have heard of us—*that person we serve—that person for whom we care*—is important and may be a blessing to all mankind.

On Kiwanis Peanut Day in 1966, a Kiwanian in Lisle, Illinois, Robert P. Connelly, lost his life in a vain but valiant effort to save the life of a crippled woman who fell on the railroad tracks just ahead of an onrushing train. He cared enough to give his life for another. Kiwanis International has ordered a medal struck in his honor to be given to his widow and daughter and indeed to any Kiwanian who hereafter may endanger life and limb for the sake of others. In the Kiwanis Foundation, Inc. we have established a scholarship for Colleen Connelly—the 12 year old daughter of Robert. We expect to send her all the way through parochial school and through college. Contributions have been received from all over the land, but we need much more. Recently Colleen called to say that she always ran home when she received her report card and showed it to her father. Now that her father is dead she asks if I would tell her "Kiwanis Fathers" that she got three A's and three B's on her recent report card. And so I report her grades to you—her Kiwanis Fathers.

Gentlemen, Robert Connelly cared enough to give his life—won't you care enough to do your very best in the service of others. I say to you there is no "Ghetto of Indifference" for the man who wears the "K."

MAKE IT YOUR FOUNDATION

(By Roy W. Davis)

"Bob was a man of action."

Raymond Miller, president of the Kiwanis Club of Lisle, Illinois, was talking about Bob Connelly, a member of his club.

On Kids' Day last fall, Bob was selling peanuts to Chicago commuters at the railroad station in suburban Lisle when he saw paraplegic Nancy Notto trip and fall in the path of an onrushing train. Bob leaped to save her, but was too late. Both were killed.

Nevertheless, the name of this man of action will not die. The Kiwanis Foundation is collecting for a special fund of approximately $15,000 that it will administer to guarantee Bob's 11-year-old daughter, Colleen, a complete education, through parochial high school as well as college. Any remaining funds will go to see other such youngsters through school.

This is only one part of the continuing work of the Kiwanis Foundation, which over the years has expended $200,000 in support of such programs as CQ (Citizen Quotient) and the annual Kids' Day activities, in which Bob Connelly was participating at the time of his death. The Kiwanis Foundation helps promote the work of men of action like Bob. It also functions as a receptacle and distributor for the funds donated to further the service work of Kiwanis throughout the world.

The Foundation concentrates on activities that normally would be considered too broad in scope for any individual club or district to handle. The Connelly case is an example. Actually, the fund originated with the Kiwanis Club of Lisle. But as problems of administering the funds mounted, and when the club learned that the Connelly family might move out of the state, Lisle Kiwanians turned to the Kiwanis Foundation. Soon, with the Foundation's support, a special Connelly Medal will be struck. It will be awarded to others who live up to the same high ideals of heroism and selflessness that made Bob Connelly the man he was.

The Lisle club has not lost touch with the Connellys, however. When she received her report card at school, Colleen always brought it home to Dad. Now she reports to her "Kiwanis Fathers." Recently, she called them to say that she had earned three A's and a B at Sacred Heart Academy.

The Kiwanis Foundation is currently expanding its programs. One objective is to explain free enterprise to youth. The Foundation already has donated $1000 to the Kiwanis Freedom Leadership program, one of whose activities is to demonstrate that business profits can serve a worthy function in society. It has also begun to raise the first $35,000 to finance a campaign for this purpose. Now being planned are a series of films and brochures, a speakers' bureau, and a national advertising campaign.

The Foundation receives money from numerous sources. Many districts have given bequests dedicated to outstanding Kiwanians. The Florida District contributed $1200 in memory of Past Governor Roy Brewton. Texas-Oklahoma gave $1300 in Past President O. Sam Cummings' name. Alabama remembered former Trustee Nelson Fuller with $1600. The Southwest District awarded the Kiwanis Foundation $1000 for Past Governor Bill Blair. And recently the Wisconsin-Upper Michigan District honored Past International President I. R. Witthuhn with a $1000 bequest in his name. A donation of $20 allows individuals to become Kiwanis Foundation Fellow for a year. Those who can contribute $100 or more, either in one lump sum or yearly $20 installments, become Life Foundation Fellows. Each Foundation Fellow receives a certificate of appreciation from the Foundation, each Life Fellow a handsome wall plaque.

The Kiwanis Foundation, Incorporated, does not compete in its activities with club and district foundations, nor does it limit itself to raising money, as it is doing for the Connelly Fund. The Kiwanis Foundation is your foundation. It seeks both your help and your guidance.

HUMAN RIGHTS ARE HISTORICALLY AN INTERNATIONAL CONCERN—SENATE SHOULD RATIFY HUMAN RIGHTS CONVENTIONS—CIII

Mr. PROXMIRE. Mr. President, on July 6, 1941, in a forceful message to Congress, President Roosevelt stated that among the Allied war aims was the achievement of four freedoms "everywhere in the world": Freedom of speech and expression, freedom of worship, freedom from want, and freedom from fear. In August of that year, Messrs. Roosevelt and Churchill reaffirmed their commitment to the latter two freedoms by signing the Atlantic Charter.

On the first of January, in 1942, the 26 United Nations declared, in Washington, "that complete victory over their enemies is essential to preserve human rights."

When the Dumbarton Oaks proposals were made public in October of 1944 with only one brief and subordinate reference to human rights and fundamental freedoms, strong popular sentiment was aroused to remedy this defect. Accredited consultants to the U.S. delegation pressed for a more prominent recognition of human rights at the 1945 San Francisco Conference. These 42 nongovernmental organizations, mostly representing churches, labor, education, and business, pressed particularly for the establishment of a United Nations Human Rights Commission. These efforts led directly to the inclusion of seven specific references to "human rights" in the United Nations Charter, including the establishment of a Human Rights Commission and the pledge of all members "to take joint and separate action in cooperation with the Organization for the achievement of universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion."—Articles 55–56, U.N. Charter.

In his closing address to the San Francisco Conference, President Truman noted:

> Under this document (the Charter) we have good reason to expect the framing of an international bill of rights, acceptable to all nations involved. That bill of rights will be as much a part of international life as our own Bill of Rights is a part of our Constitution.

On July 28, 1945, after 33 days of consideration the Senate ratified the Charter of the United Nations by a vote of 89 to 2.

As a party to the multilateral treaty known as the United Nations Charter, the United States has already committed itself to the principle that human rights are an international concern. The Members of the Senate during this, the 90th Congress, have been handed an opportunity. We can reaffirm the commitment to the human rights made 22 years ago. By consenting to the ratification of the five human rights conventions pending in the Senate Foreign Relations Committee, we can reassert U.S. leadership in a field which, because of our inexcusable inactivity, has been permitted to fall.

FREE ENTERPRISE COMPETITION IS THE ANSWER

Mr. HARTKE. Mr. President, the current discussion of the chronic balance-of-payments deficits has centered around the immediate short-term effect of various programs that have inhibited overseas expansion of American industry.

Not enough attention has been paid to the effect such stifling will have over the next decade or so. I have said again and again that this type of negative approach is totally self-defeating. The net result of these policies will be to increase rather than decrease our future payments problems. The revenues that might have been generated to eventually overcome the deficits will not be forthcoming and we will find ourselves floating in a backwater of self-imposed economic isolation. I have also said many times that once American industry makes up its mind to do so, it can outsell and outproduce anyone, anywhere. That is the basic strength of the American economy.

Mr. John Chamberlain, the noted syndicated columnist, has written what I call a reaffirmation of the "can do" spirit that makes this country the greatest economic power the world has ever seen. He speaks of the necessity for small business to become actively involved in international sales programs. The resentment of our trading partners toward some of our industrial giants that have plants abroad would make involvement of smaller companies a "natural," as Mr. Chamberlain puts it.

Mr. President, this is the kind of activity that is needed to solve the problem of chronic deficits. It represents the kind of positive thinking that should also characterize our domestic fiscal and monetary policy decisions.

Mr. President, I ask unanimous consent that Mr. Chamberlain's column from the Washington Post of July 7, be printed in the RECORD.

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

SMALL INDUSTRY AND FOREIGN TRADE

(By John Chamberlain)

Willi Schlamm, the veteran of a score of journalistic wars since he first challenged Hitler from an editorial post as editor of Peace Prize winner Carl von Ossietsky's "Weltbuehne" in Prague, was in the United States recently. Willi, who now writes and lectures in West Germany, said he was engaged in his last—and "probably losing"—fight, which is to take a pro-American side in a continent that more and more tends to make anti-Americanism its all-consuming passion.

Willi told me about his sessions with West German bigwig politicos on the subject of U.S. economic competition. It seems that the Germans particularly resent American oil companies, American automobile competition, and American computers. This makes no sense to Willi, for the Germans aren't in the oil business, their Volkswagens give them an edge in any foreign car market, and Europeans must have access to American computers if they are to do good business on their own. But it is emotion that counts with the politicos; U.S. oil, automobile and computer companies are "big," and they serve admirably as devils because everybody can see them.

Since emotions can't be fought head on, it would seem a "natural" for the United States to help promote the overseas activities of its smaller businesses. Smallness always give protective coloration. Yet 90 per cent of U.S. manufacturers have no export sales program, and the Department of Commerce shows no particular interest in them. The "little man" simply lacks the personnel, the linguistic knowledge, the financing, and the "feel" for adventure that are needed to take his product overseas.

This is particularly unfortunate in this time of our adverse balance of payments, for if only 10,000 out of our total of a quarter of a million small manufacturers could manage to net $200,000 each from foreign licensing and sales, our international deficit would be completely eradicated.

Without any particular encouragement from Washington, a few adventurous Americans have been trying to set up "in between" companies to serve small manufacturers who can't go abroad on their own.

Some of the names in this field are the International Research Consultants, Pegasus International, Porter International, and National Patent Development Corporation. Porter International, for example, was created to do licensing on a fee basis by Paul Porter, once a government administrator of U.S. aid to Greece. Old established U.S. firms such as Arthur D. Little are in the foreign licensing field, too.

Europeans may hate U.S. business in general, but they don't hate U.S. techniques, and patents in particular. Thus General Motors may be a devil abroad, but nobody knows enough about its hundreds of suppliers to give them horns. So why not push what the suppliers have to give? And this goes for all makers of small components, not just the ones who help GM make the Opel car in Germany.

The sure-fire method of pushing this sort of business has been pioneered by Eugene Lang's Resources and Facilities Corporation, or Refac, which began its European operations 15 years ago. It started its business with a general franchise to license the manufacture of the Heli-Coil Corporation's screw thread inserts abroad. Heli-Coil is a Danbury, Conn., company whose rise has helped the famous Hat City to overcome its disastrous dependence on the declining market for men's headgear. By making use of the "in between" knowledge of Lang's "Refac," Heli-Coil has successfully penetrated nine countries which are now manufacturing its products under license agreements. Refac, for its own, now lists its presentation of Heli-Coil as only one of a number of licensing and joint venture relationships in foreign lands. With 300 such relationships in 23 countries on five continents, it has created an annual business turnover of more than $100 million. Royalties have an appreciable impact on the U.S. balance of payments.

Lang thinks he represents the way of the future. He has a plan for creating a multiplicity of small business trade corporations with foreign licensing connections before the Select Committee on Small Business of the House of Representatives. It could be worth more than the Small Business Administration.

THE NEED FOR A STRONG GREAT LAKES FLEET

Mr. NELSON. Mr. President, since the opening of the St. Lawrence Seaway, the port cities on the Great Lakes have become major centers of foreign commerce as well as busy ports for domestic trade. The Duluth-Superior harbor area is now second only to New York among American ports in the amount of total tonnage handled each year. A large percentage of American exports flow from the Great Lakes region to ports throughout the world. Clearly this bustling of commercial activity has brought great benefits to both the contiguous States and the country at large.

One might assume from this situation that the Great Lakes merchant fleet is in a condition of unprecedented prosperity. Unfortunately, this is not true. American Great Lakes gross tonnage has dropped by over 500,000 tons, while that our of Canadian neighbors has increased by roughly the same amount. The average age of our Great Lakes fleet has grown older, whereas new Canadian ships are being constructed and refurbished. Moreover, because of the Seaway, a large proportion of the import-export trade is now carried on European, Asian, African, and Latin American ships. It is deplorable that American Great Lakes shipping is not sharing more in the expansion of trade on our newest coastline.

Increased foreign trade does not make this situation inevitable; I have just pointed out that the Canadian merchant fleet, which was put in the same position by the opening of the Seaway, has prospered. This is due largely to progressive efforts of the Canadian Government to keep its merchant fleet healthy. So far our own Government has not come to grips with the problem.

An extremely penetrating analysis of the crisis facing the Great Lakes shipping industry, with proposals for what can be done, has recently been prepared by the Andrew Furuseth Foundation for Maritime Research. This report appeared in the May 1967, edition of the District 2 Marine Engineer.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

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

[From the District 2 Marine Engineer, May 1967]

A STRONG GREAT LAKES FLEET IS NECESSARY TO OUR ECONOMY AND SECURITY; WE PRESENTLY HAVE NEITHER AND NEED BOTH

(Following is the April, 1967 report of the Andrew Furuseth Foundation for Maritime Research. The Foundation, which has its headquarters in Washington, D.C., is financed by contributions from SIU and District 2 MEBA shipowners in the offshore field and on the Great Lakes. The contributions, amounting to 15c a day per man, are made under terms of the Union contracts with the operators.

(The goal of the Foundation is to provide useful information for Congress and the Administration aimed at strengthening the U.S. merchant fleet. The Foundation is named in honor of Andrew Furuseth, long-time Secretary-Treasury of the Sailors Union of the Pacific and one of the greatest fighters for the rights of U.S. merchant seamen.

(The crowning achievement of Furuseth's 21 years of lobbying in Congress was passage of the Seaman's Act of 1951, which emancipated seamen from virtual serfdom. The act, which was sponsored by Senator Robert La Follette, Sr., of Wisconsin, abolished imprisonment for desertion, provided for decent quarters and food for merchant seamen, and established fundamental safety conditions aboard U.S.-flag ocean-going and Great Lakes ships.)

I. THE U.S.-FLAG GREAT LAKES FLEET

With the traditional April opening of the St. Lawrence Seaway, it is fitting to examine what is perhaps the most neglected segment of the United States Merchant Marine—the Great Lakes fleet. These U.S. lakes vessels are engaged in commerce on one of the longest inland waterways in the world. The St. Lawrence-Great Lakes system stretches 2,342 miles from the Atlantic Ocean into the heart of the North American continent. One of every 8 Americans and 1 of every 3 Canadians lives on or near this system.

Entering the Gulf of St. Lawrence, one travels down the St. Lawrence River to reach the Great Lakes. The first Lake entered is Ontario. This is connected to Lake Erie by the 28-mile Welland Canal. Lakes Huron, Michigan and Superior, together with connecting channels and the Sault Ste. Marie locks form the remainder of this inland waterway. On the Canadian side, this system borders 4 maritime provinces as well as Quebec and Ontario and touches 8 states of the United States: Minnesota, Wisconsin, Illinois, Michigan, Indiana, Ohio, Pennsylvania and New York. Although waterborne commerce on the Lakes system is limited to about 8 months of the year due to weather conditions, i.e., ice, it is one of the greatest concentrations of traffic in the world. More tons of cargo pass through the Sault Ste. Marie locks annually than pass through the Panama Canal. The Duluth harbor, located on Lake Superior, is one of the largest bulk traffic ports in the world. In terms of annual total tonnage, it has usually ranked second in the U.S., with first place going to New York harbor. Bulk commodities, chiefly iron ore, limestone, coal and grain, comprise 90% of the total tonnage shipped on the St. Lawrence-Great Lakes system.

Both the United States and Canada have fleets devoted exclusively to domestic and trans-lakes commerce. These 2 fleets comprise the Great Lakes fleet. The overseas Lakes trade is carried out by the regular ocean-going vessels, which differ in size, design, etc. from the lakers. With respect to Great Lakes foreign commerce carried by U.S. vessels, several American companies engaged in oceanborne trade serve the Great Lakes on specified trade routes. Most of these inland vessels, including bulk carriers (the most numerous type), self-unloaders, grain vessels, tankers and package freighters, were developed for and specialize in the movement of certain commodities.

Status of the Great Lakes Fleet

The tables below show the status of the Great Lakes fleet before and after the opening of the Seaway. Although both fleets have decreased in number of vessels, the Canadian-owned fleet has achieved an increase of 534,286 gross tons while the U.S. has lost 532,433 gross tons.

United States

	Number of vessels		Gross tons		Deadweight tons	
	1965	1955	1965	1955	1965	1955
Total, all types	255	373	1,878,567	2,411,000	2,945,121	3,676,200
Combinations	3	7	22,409	28,800	18,406	8,300
Freighters	1	5	1,042	30,300	1,660	41,300
Bulk carriers	222	337	1,798,534	2,280,300	2,849,572	3,525,800
Tankers	19	24	56,582	71,600	75,483	100,800

Canada

	Number of vessels		Gross tons		Deadweight tons	
	1965	1955	1965	1955	1965	1955
Total, all types	220	261	1,406,186	871,900	2,190,726	1,300,900
Combinations	3	4	9,258	11,400	5,558	6,100
Freighters	15	21	73,057	49,900	92,100	62,900
Bulk carriers	170	199	1,247,014	715,200	1,979,922	1,092,900
Tankers	32	37	76,857	95,400	113,146	139,000

In terms of employment opportunities for seamen on U.S. Great Lakes vessels, the loss of 128 vessels means approximately 4,500 less jobs. This does not include all of the other areas of employment which would be affected by this decrease.

The following table does show that during a ten-year period, the fleets of both the U.S. and Canada have been upgraded. The Canadian changes, however, are more significant than the U.S. ones. And the Canadian fleet has grown 1 year younger while the average age for the U.S. fleet has increased 2 years.

Total—All types of vessels

	United States		Canada	
	1965	1955	1965	1955
Average gross tons	7,668	6,500	6,392	3,300
Average deadweight tons	12,021	9,900	9,958	5,000
Average age (years)	42	40	31	32
Average speed (knots)	12	11	12	9
Average draft (feet)	22	21	21	18

Statistics reveal that U.S. domestic Great Lakes commerce has not changed too radically between 1956 (pre-St. Lawrence Seaway) and 1964 (post-Seaway); however, as can be seen from the table below, overseas commerce has increased about 14 times over the 1956 level:

Freight carried on Great Lakes system

[In millions of ton-miles]

	Total	Domestic				Foreign	
		Lakewise	Coastwise	Internal	Local and intraport	Canadian	Overseas
1964	105,912	73,249	71	596	125	24,243	7,628
1956	110,665	93,616	60	749	127	15,563	549

Source: Statistical Abstract, 1958, 1966.

In 1958 the U.S. exported less than one-half million short tons of agricultural and mine products and manufactures to overseas destinations, excluding Canada, via the Great Lakes. Three years after the opening of the seaway, this figure exceeded 5 million short tons.

Increased Foreign Competition

Prior to the opening of the St. Lawrence Seaway, the number of foreign vessels entering the Great Lakes was rather insignificant. In 1857, the MADEIRA PET, a British brigantine, sailed into Chicago harbor; and in 1933, the first Lakes overseas service was inaugurated by the Fjell Line. However, since seaway passage was limited to vessels of a maximum 14-foot draft, 252 foot length and 44 foot beam, only very small, and consequently very few foreign ocean-going vessels were involved. Trade on the Lakes was confined almost exclusively to the Canadian and U.S. fleets. The new Seaway significantly altered this picture. Now vessels of up to 25 foot draft, 730 foot length and 75 foot beam can enter. Thus it is estimated that 80% of the world's merchant fleet has dimensions within the Seaway's limitations and can enter the Lakes to compete with the two traditional Lakes' fleets.

The number of foreign-flag vessels entering the Great Lakes in 1956 through the old St. Lawrence passage totalled only 125. These vessels made 334 trips. However, in 1965, 3,068 transits of the Montreal-Lake Ontario section and 3,338 transits of the Welland Canal section of the Seaway were made by vessels of foreign registry; i.e., excluding Canada. This was approximately 41% of the total number of all vessels, including the U.S. and Canada, transiting these 2 sections.

II. SPOTLIGHT ON THE SEAWAY

The St. Lawrence Seaway, constructed at a cost of $345 million to Canada and $135 million to the U.S., was built to facilitate the transportation, at the lowest possible cost, of all types of commodities moving through the St. Lawrence and Lakes trading area. Increased economic development of mid-continent America as a result of increased trade due to easier and less costly access to foreign markets was also anticipated. Three unique features of the Seaway which distinguish it from other U.S. and Canadian waterways are:

(1) It is international in character with navigation facilities being located in the U.S. and Canada,

(2) It is operated by governmental corporations of the two involved countries, and

(3) It is financed from borrowed rather than appropriated money, thus necessitating tolls.

Tolls controversy

The St. Lawrence Seaway, under U.S. statute, is required to be self-supporting and self-liquidating; i.e., the initial $125 million investment plus interest charges is to be paid off in 50 years through revenues acquired from tolls. It has, however, been argued by those opposed to tolls that regardless of the yearly increase in tonnage, with the consequent larger revenue from tolls, it is unlikely that the cost of constructing the Seaway will ever be paid out of this revenue. Prior to the 1966 shipping season this might have been a valid argument. But in 1966 traffic and cargo not only reached the pre-1959 estimate upon which the tolls were based—they exceeded this estimate.

No Increase in Tolls

Because traffic and cargo did fall below the earlier-made estimates, the U.S. Seaway Development Corp. is about $20 million in debt and more than $9 million behind in meeting its statutory financial obligations. Late in 1966, the Seaway Corp. recommended a 10% increase in tolls, which was vigorously opposed by members of Congress from the Great Lakes states. The U.S. official position

has been to oppose higher tolls, while the Canadian government is in favor of them. This March, the U.S. State Department announced that an agreement with Canada had been reached whereby there would be no increase in tolls for at least 4 years. But whereas the U.S. had previously received 29% of toll revenues, it now will receive 27%, with the remaining 73% going to Canada.

Effects of the seaway

The St. Lawrence Seaway has primarily affected 2 areas of U.S. Great Lakes bulk cargo trade—iron ore and grain. The effect on the U.S. Great Lakes fleet has been adverse and detrimental. Since the opening of the Seaway, U.S. vessel participation in grain movements on the Lakes has steadily declined. Prior to the Seaway, chiefly Canadian and U.S. vessels were engaged in this trade, with Canada carrying 70% of the total grain and the U.S. the remaining 30%. But by 1964, foreign vessels had intruded in this trade, taking more away from the U.S. fleet than the Canadian. Statistics for 1964 reveal that U.S.-flag carriers moved only 13% of all Great Lakes grain, while Canadian-flag vessels carried 63% and other foreign-flags carried 24%. Two chief reasons for this diminishing U.S.-flag participation are as follows:

(1) The Seaway has made it possible for large foreign ocean-going vessels to enter the Lakes and load the grain directly. Formerly this grain moved down the Lakes in lake vessels and then was transferred to ocean-going vessels, and

(2) Today Montreal, rather than Buffalo, is the major transshipment port for U.S. grain, which means that Canadian vessels are able to engage in this traffic which, if it were between two U.S. ports, would be closed to foreign-flag vessels.

Statistics for 1965 reveal both of these effects of the Seaway. In this year, of the total 7.2 million tons of grain shipped from the Great Lakes, 4 million tons were loaded directly on oceangoing ships and 3.2 million tons were transshipment via Canadian elevators on the lower St. Lawrence.

Ore Imports Up Sharply

The other segment of the U.S. Great Lakes fleet adversely affected since the Seaway opened is the ore carrier. In just one year, this segment lost 15 vessels, going from 166 ore carriers in 1965 to 151 in 1966. The Seaway enabled iron ore to be brought into the Lakes area for domestic consumption from Labrador and Quebec and cut down on the amount transported by U.S.-flag lake ore carriers from the Mesabi Range to U.S. iron and steel plants. This 22% increase in the use of imported iron ore has contributed to a 28% drop in the consumption of domestic ore. The Labrador-Quebec to Lakes ports traffic is dominated by Canadian vessels. In 1965, U.S. ships carried only 9% of the 11.1 million tons of imported iron ore.

The table below shows the small percentage of total cargo passing through the Montreal-Lake Ontario section of the St. Lawrence Seaway which is carried on U.S.-flag vessels:

	Tonnage	United States	Percent	Canada	Percent
1960	20,310,346	562,619	2.8	11,031,183	54.4
1961	23,217,720	513,118	2.2	14,117,233	60.3
1962	25,593,600	947,729	3.7	14,441,173	56.4
1963	30,942,890	1,950,066	6.3	18,797,655	60.8
1964	39,309,029	3,290,470	8.4	23,546,668	59.9
1965	43,382,864	1,943,990	4.5	24,789,995	57.2
1966	49,955,974	1,875,850	3.8	32,955,974	66.9

Source: Traffic Report of the St. Lawrence Seaway.

The chief foreign countries transmiting the Seaway since its opening have been the United Kingdom, British Commonwealth nations, Norway and Germany. In 1965, they carried 24.7% of all cargo tonnage passing through the Montreal-Lake Ontario section. The remaining 13.6% was carried by vessels of other European, Asia, African and Latin American countries.

Changing traffic on the lakes

Apparently, the small Lake vessel is going to be forced to compete more with the large ocean-going bulk carrier of 17,000 tons and over. In 1959, the first year of Seaway operations, only 15 upbound transits carrying 3.5% of the total tonnage and 14 downbound transits, carrying no cargo, were made by vessels over 17,000 gross tons. In 1965, there were 256 upbound and 257 downbound transits made by this size vessel, carrying 28% and 22% of the total cargo tonnage respectively. A definite decline in the cargo tonnage carried by small ships is indicated. No vessel of over 17,000 gross tons has been built for the U.S. Great Lakes fleet since 1958. In contrast, 24 such ships have been built for the Canadian Lakes fleet since 1960.

St. Lawrence and U.S. overseas trade

The St. Lawrence Seaway is helping the U.S. to improve its balance of payments position as can be seen from the table below:

Year	Exports	Imports	Net favorable balance
1958	$137,907,692	$113,182,732	$24,724,960
1959	323,369,963	216,663,469	106,706,494
1960	425,726,876	226,188,674	199,538,202
1961	522,373,168	258,814,635	263,558,533
1962	592,106,988	317,191,934	274,915,054

Source: Great Lakes Commission.

However, a much greater improvement would result if U.S.-flag vessels were to carry more than 4% of this cargo tonnage. In 1964, U.S.-flag vessels carried only 254,596 tons out of 6.2 million tons of U.S. Great Lakes imports and exports, or 4%.

Ocean-Going Service Needed

Since foreign vessels participate in our Lakes overseas commerce at a sailing ratio of 19 to 1, the Maritime Administration suggested that ways must be found to provide more adequate U.S.-flag service on the Lakes to:

(1) provide more economical transportation for government generated (military and aid) cargoes,

(2) help reduce our imbalance of international payments,

(3) ensure against foreign control of rates and shipping availability, and

(4) give the Heartland taxpayer a better return for his money in terms of additional U.S. waterborne service.

III. THE U.S.-FLAG GREAT LAKES FLEET NEEDS HELP

Since 1955, the U.S. Great Lakes fleet has decreased by 128 vessels aggregating 859,279 d.w.t. Of this total 37 were transferred to foreign registry, 3 were sunk, 88 scrapped and 8 withdrawn. The following table shows this dangerous downward trend:

	Total number of vessels	Tonnage change deadweight tons
Year ending:		
1965	245	−102,779
1964	260	−172,900
1963	281	−117,600
1962	296	−117,200
1961	312	−211,900
1960	346	−66,800
1959	364	−13,900
1958	365	−64,200
1957	367	+12,600
1956	365	−4,000
1955	373	

In 1956 there were 20 U.S. independent bulk steamship companies on the Great Lakes. Presently only 8 of these remain.

Lakes Fleet Obsolescent

The Great Lakes fleet is even more obsolescent than our oceangoing fleet. One hundred and nine vessels, or approximately 45% of the fleet, were constructed before 1915. Only 28 vessels now operating on the Lakes were built after 1950. The following table shows the number of each type of vessel operating on the Lakes as of December 31, 1965, and the period in which it was built:

Number of U.S.-flag vessels as of Dec. 31, 1965

	Bulk carriers	Tankers	Combinations	Freighters
1892–99	1	1		
1900–1904	8			
1905–09	68		1	
1910–14	27	3	1	
1915–19	16	1		
1920–24	18	3		1
1925–29	18	2		
1930–34	2	4		
1935–39	5	2		
1940–44	24			
1945–49	9	1	1	
1950–54	18	1		
1955–59	6			
1960–65	2	1		
Total	222	19	3	1

Source: Marad.

Canada's Angel Plan

Cognizant of the need to stimulate vessel contruction, the Canadian government in 1949 enacted the Vessel Assistance Act, which enabled an operator to depreciate his vessel in as few as 3 years. Between 1950 and 1961, 51 new vessels of 666,200 dwt were added to the Canadian Great Lakes fleet. Additional legislation in 1961 provided a direct construction subsidy of 40% for vessels contracted for between May 12, 1961 and March 31, 1963, and a 35% subsidy for vessels contracted thereafter. This law, suspended in 1965 when it appeared that the U.S. might extend an operating-differential subsidy to its Great Lakes fleet operators, has been resumed at 25% until 1968.

Eighteen New Vessels

By the end of 1964, 18 vessels of 331,500 dwt were added to Canada's Lakes fleet. This subsidy plan, plus the fact that building costs are lower in Canada allowed the Canadian operator to build a new vessel at only 55% of the investment required by an American operator, who must build in U.S. yards with no subsidy, nor can he depreciate his vessel in less than 18 years. The Angel Plan has made the Canadian Lakes fleet the most advanced and highly automated in the world. The following table shows the gains made by the Canadian Lakes fleet during an 8-year period, including those years when the Angel Plan (Post-1961) was in effect:

Canadian	Total all types		Combination passengers and cargo		Freighters		Bulk carriers		Tankers	
	1965	1957	1965	1957	1965	1957	1965	1957	1965	1957
Average gross tons	6,392	3,300	3,086	2,300	4,870	2,500	7,335	3,600	2,402	2,500
Average deadweight tons	9,958	5,000	1,853	1,300	6,140	3,200	11,647	5,500	3,536	3,700
Average age (years)	31	32	44	35	18	37	33	34	27	25
Average speed (knots)	12	9	15	14	14	10	12	9	10	9
Average draft (feet)	21	18	16	15	21	18	21	18	17	17

Source: Marad, Division of Trade Studies.

The effect of Canada's efforts upon the U.S. fleet can be seen by the fact that between 1955 and 1964 the number of U.S. vessels engaged in the iron ore trades decreased from 255 to 169 while the number of Canadian ones increased from 50 to 86. During the same period the number of self-unloaders in the U.S. fleet declined by 4, while the Canadians added 11. In 1964, U.S.-flag ships carried only 14% of the exports and 29% of the imports in trans-lake commerce beween the U.S. and Canada. With respect to export-import traffic between U.S. Great Lake ports and Atlantic Canada, we carried a mere 19% of the exports and 17% or the imports.

What needs to be done for the U.S. Great Lakes fleet

American operators have attempted, as best they can, to improve the competitive position of the Great Lakes fleet. However, considering American costs are higher than Canadian ones, their chief competitor, and that the return on their investment is very low, they have not been able to prevent the downward trend of this fleet. Two things which have been done are converting hand-fired vessels to oil firing ones or repowering them with new diesel machinery and the use of bow thrusters has been increased, which reduces the need for tug services, increases the maneuverability of a vessel in tight situations and reduces damage. It has been stated that "the situation in the Great Lakes is made to order as an area for experimentation in new types of ships, route structure, rates and subsidies, and to expand the American Merchant Marine for commercial purposes."

Larger Ore Carriers

In the iron ore trade particularly, the U.S. needs newer and larger vessels. One Lakes operator has said that it is much more economical to operate a 26,000-ton vessel in certain bulk trades than an 8,000-ton one. Presently the average gross tonnage of a Great Lakes bulk carrier is slightly over 8,000. Some trades do require the use of smaller vessels and here modern, economical and versatile units are needed.

To modernize and improve the status of the Great Lakes fleet many Lakes' operators would prefer the government to allow them to deposit earnings in a tax-free reserve fund. This fund would be used for new vessel construction as well as major repairs, enabling operators to put present vessels into A-1 condition and prolong the useful life of these vessels.

It has also been proposed that in view of the success of Canada's rapid depreciation plan, the U.S. adopt a similar policy. In the interest of establishing replacement capital, depreciation rates for Great Lakes vessels should be revised to permit more rapid amortization of capital costs.

Long-range Building agreements

Another suggestion offered by Great Lakes operators is that legislation should be enacted which would allow Lakes' vessel owners and operators to enter into long-range building agreements with the government similar to the type of vessel replacement program now provided for oceangoing operators receiving operating-differential subsidy. It is believed that such a plan would provide sufficient incentives in the form of construction assistance to insure the preservation, rebuilding and maintenance of an adequate U.S.-flag Great Lakes fleet.

The fact that U.S. vessel safety standards are the most stringent in the world has imposed a financial burden upon U.S. Lakes' operators which is not felt by either Canadian or other foreign operators. To rectify this competitive imbalance and to improve safety conditions on the Lakes, it is advocated that the U.S. Coast Guard be given the authority to impose the same construction standards on any foreign-flag vessel sailing in American ports and waters as they require of U.S.-flag vessels.

Lower safety standards

Of interest is the fact that during the past 10 years, 30 former U.S.-flag vessels were sold to Canadian owners. Many of these ships were sold by American owners because it was deemed economically unfeasible to repair them to meet the U.S. Coast Guard requirements. The Canadians performed little, if any repairs, and put these vessels in service on the Lakes. Thus these vessels from our own fleet which did not meet our safety standards are actively competing with those U.S.-flag vessels which, at a great cost to the U.S. operator, do meet U.S.C.G. standards.

If the U.S. Great Lakes fleet is to survive and prosper, ways must be found to enable it to compete successfully with both Canadian and other foreign-flag vessels engaged in Lakes Commerce.

The need for a strong U.S. Lakes fleet

A study by the Maritime Administration concluded that "the same reasons which justify the existence of the American Merchant Marine on the other sea coasts of the Nation are present in the Lakes; and if anything with greater impact." It continued that the U.S. must not continue to allow foreign interests to control 96% of all exports and imports from the heartland of the country. From ports on the Great Lakes, the United States exports 20% of U.S. food and kindred products, 38% of rubber and plastic products, 22% of primary metal industries, 33% of fabricated metal products, 46% of machinery (except electrical), 27% of electrical machinery and 43% of transportation equipment. Indeed, these Lake port facilities and shipping services are vital to the economic growth of the U.S. heartland. Not only is a strong fleet necessary for overseas commerce but also our Great Lakes fleet should be improved so that the low percentage of trans-lakes cargo which it presently carries will be tremendously increased. The present figure of 10% U.S.-flag participation in the grain and coal trade between the U.S. and Canada is absolutely unacceptable. An updated, efficient U.S. Great Lakes fleet would also lessen the dollar drain between the U.S. and Canada.

U.S. Defense Needs

Another most cogent reason for backing a strong U.S. Lakes fleet is that of defense. In the event of a national emergency, it is highly doubtful that the present U.S. Great Lakes fleet could provide the necessary transportation facilities and reliance simply cannot be placed upon the Canadian fleet. In 1953, at the height of the Korean conflict, over 216 million tons of basic bulk materials, including 95.8 net tons of iron ore, were transported on the Great Lakes. This required the use of all 326 U.S.-flag Great Lakes vessels. Today's fleet of less than 250 vessels could not handle this type of operation. Not being able to get the raw materials such as iron ore to our industrial plants could seriously endanger our national security.

A strong U.S. Great Lakes fleet is just as necessary to our national economy and security as is a strong modern oceangoing fleet. We presently have neither and need both.

THE WAR IN VIETNAM

Mr. HATFIELD. Mr. President, the Portland Oregonian recently featured the experiences and insights of two veteran Associated Press correspondents, Peter Arnett and Horst Faas, regarding the conflict in Vietnam. I would like to share this account, by two distinguished Pulitzer Prize winners, with all Members of the Senate. Their "5 years and many delusions" poignantly illustrate the complex dilemmas that will undoubtedly continue to plague our military efforts in Southeast Asia.

I invite attention to this article for two reasons. Not only does it portray the futility of waging an ideological war with military weapons, but it points to the increasing urgency of seeking viable alternatives to our present course of action in Vietnam. As Secretary of Defense McNamara considers increasing our troop commitment, I submit that we must reexamine what has become a tyranny of "no alternatives"—the assumption that military success is a prerequisite to political success. We must instead explore all opportunities to de-Americanize what is essentially an Asian civil war, to seek a negotiated settlement through sincere diplomatic offensives, and to develop a peacetime economy in South Vietnam that will insure lasting peace in Southeast Asia.

I hope that the consideration of this article will encourage us all to come to grips with the political, social, and economic problems of Vietnam that can never be overcome by military means.

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

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

[From the Portland (Oreg.) Oregonian, July 2, 1967]

IN VIETNAM WAR "DELUSIONS CROWD OUT REALITIES"—GROWING COMMITMENTS PULL UNITED STATES EVER DEEPER

(NOTE.—Few men can view the war in Vietnam with the experienced eyes of The Associated Press writers who collaborated on this article. Peter Arnett and Horst Faas have been in South Vietnam five years, and almost every week they have been in the field separately or together, to record first the efforts of Saigon's army and later the expanded campaigns of American and allied forces. They went to South Vietnam in 1962 to cover what was then a small war of insurgency. They have seen the war grow until more than 500,000 Americans are committed. Their news coverage has won them Pulitzer prizes—Arnett in reporting and Faas in photography.)

(By Peter Arnett and Horst Faas)

SAIGON.—In 1962 no one seemed to doubt that the war could be won. It is now five years and many delusions later, and there are still predictions of much the same sort of victory. Delusions still crowd realities.

Hope continues to spring eternal in the breasts of allied authorities.

There can be no surprise, then, when in answer to a particularly pessimistic report on the current pacification program, a U.S. official in Saigon is informed by Washington, "Your report is too leftist and defeatist. Please look for more encouraging aspects."

The search for encouraging aspects has bedeviled the gradual U.S. slide into the Vietnam morass, with the resultant toll of more than 10,000 American dead and $70 million a day expenditure. We now have 460,000 Americans engaged in the struggle.

In our view, the ever-enlarging American commitment has not been paralleled by an expansion of allied frankness or understanding about the realities of Vietnam today. The claims of progress can be brought into question when measured against the sacrifice of life and materiel.

However well intended, misjudgment and official deceptions or delusions surrounding the war have not helped its progress.

BRAVERY THERE

There is no question about the bravery and skill of allied fighting forces as a whole, but this does not remove doubts about their effectiveness in assigned tasks under the limitations imposed on them.

The enemy has grown steadily. Official statistics placed enemy strength at 30,000 in 1962, at 300,000 today.

American officials often have smiled at Vietnamese statistics, shrugged their shoulders, and commented, "Well, those enemy bodies were by Vietnamese count."

Yet today there is reason is believe that American field commanders sometimes yield to the temptation of exaggerating enemy casualty figures in order to gain healthy ratios to their own head. A favorable kill ratio is one way to measure progress, however ephemeral. Allied commanders seem to favor a ten-to-one ratio. Maybe three or four to one is more like it.

In statistical language there are never any American military defeats in Vietnam. No matter how severe the U.S. casualties, the enemy usually takes far more. If the bodies were not actually left on the battlefield, then they were "dragged away" or "killed by air and artillery too deep in the jungle to investigate." But the ability of many "destroyed" enemy units to return to the fray disputes allied claims and adds another degree of confusion.

ESTIMATE HAUNTING

Official estimates of enemy strength took on an air of reality last year, but the ghost of Defense Secretary Robert S. McNamara's 1963 estimate that the major part of the American commitment would be completed by 1965 comes back sometimes to haunt.

It was in 1965 that American combat troops were first committed. Without these troops the Saigon government certainly would have perished.

But even now the official impression is given that with "just a few more troops" the job can be done, say 200,000 more.

This continues an attitude that governed the dispatch of the first troops here.

Their role was to free Vietnamese soldiers from guard duty so they and not the Americans could seek out and destroy the Viet Cong main forces.

In reality Saigon's army had long been an ineffective fighting force, and top Americans knew it. Most of the best Vietnamese officers were either dead in battle or sent into political exile.

The army itself was weighed down by the specter of having been on the losing side against the same enemy 10 years earlier.

American troops rapidly began taking an ever greater share of the war, determining the destinies of the Vietnamese population in vast areas. The Vietnamese army receded although the American military commander, Gen. William C. Westmoreland, still heaps public praise on the Vietnamese military.

The U.S. 4th Division has been fighting along the Cambodian border. One of its officers commented the other day: "I have been in Vietnam nine months and I have not seen a Vietnamese soldier in action."

NEVER ENOUGH

There never seem to be quite enough American troops to do the job. One reason is that hopes of stopping enemy infiltration have not been realized, either by border fighting or the bombing against North Vietnam.

With only about 20 per cent of its regular army committed, Hanoi can raise the ante. The war, then, can get very much bigger but remain just as inconclusive.

The image of the Viet Cong has been lowered in the eyes of the Vietnamese—the Communists are no longer Robin Hoods. But the image of the United States has dropped, too. In large areas Americans are under orders to shoot on sight any living thing that moves.

Some aspects of America's military role disturb many U.S. civilians working in the countryside. Some are wondering if more troops are really necessary for the war, or to meet U.S. commanders' eagerness to expand their operations. Such questions, of course, arise in other wars.

The system of rotating U.S. troops at the end of a year's duty benefits morale but destroys continuity and the "institutional memory" so valuable in recalling past events.

The empty memory bank will afflict the new division commander who comes to Vietnam with his own ideas. If he meets heavy going and wants quick results he may belatedly seek knowledge from the records of his predecessor.

NO FRONT LINE

These same reports could be faulty, particularly in regard to statistics and the destruction of enemy units. The new commander could build a whole strategy on the basis of wrong information, and have this compounded over the years.

A military machine tries to justify its role. Gen. Westmoreland, seeking indices of progress, will refer to enemy casualties. Sometimes he cites the construction of a score or more airstrips capable of landing C130 cargo planes.

Better measures, perhaps, are the provable destruction of enemy forces, and a resultant increase of control over the population.

Authorities have been stating for years that the Viet Cong are demoralized, have been denied recruits and are ineffective. Yet the enemy seems as obstinate and as daring as ever. It breaks up big concentrations of American troops and scatters them by staging battles that burst like blisters across the anatomy of Vietnam. There is no front line, yet the front line is everywhere.

Consequently, units sorely needed for battles along the borders are often tied up "securing the victories" gained months earlier. The U.S. Army has to move into U.S. Marine territory to drain off pressure.

COST ENORMOUS

Only in a handful of areas has the Viet Cong guerrilla organization been adequately destroyed. The cost of holding this ground makes the prospect of spreading such security throughout the country almost a tactical impossibility. Millions of American troops would be required on that basis, according to some estimates.

What of the other index of progress, population control? One pacification scheme after another has crumbled, victims of a Vietnamese grassroots inability to grapple with the clandestine organization of the Viet Cong.

In 1962 some of South Vietnam's 13-million peasantry was affected by the war. Today they all are affected. They plant rice under the bombs, huddle in refugee camps, or cram into the cities.

Nearly two million refugees, one in every seven Vietnamese, live in government resettlement camps.

Many of them had to be resettled after the U.S. Army struck into fertile valleys and plains, long Viet Cong haunts. Artillery fire hammers these areas after the people move out.

Military men argue that resettlement will at least make the people safe from the war, and also remove a source of prime assistance to the Viet Cong.

KOREANS STRICT

Various subtleties of population control still seem beyond Westerners who sometimes find it difficult to classify Vietnamese as people rather than statistics.

Even the South Korean forces, who are credited with effective pacification operations in coastal Binh Dinh Province, may lack the key. A government district chief in the region recently wrote a friend in the delta: "The Korean troops are effective, and good soldiers. But they are terribly strict and people are comparing them to the Senegalese part of the French forces, hated during the Indochina war because of barbarities. I feel that one day, if the restrictions are not lessened, the people will rise up against the Koreans, not because the people are Communists but because they want their freedom."

Americans are placing great hopes in presidential elections this year and the modicum of democracy they are supposed to bring. The president elect's first mission must be to reorganize a civil service that has run down since the French left Vietnam.

Unless an effective administrative body is created the elections will be in vain. Bureaucratic inefficiency would negate any good works the president might do, just as it has negated billions of dollars of U.S. aid programs. The military have the only workable system in the country.

Not all of Vietnam has suffered from the war. The middle class has prospered. Saigon night clubs, built to trap loose American cash, are overflowing with Vietnamese who are growing rich on a war that is only in the back of their minds.

But these are very much a minority.

Americans like John Paul Vann, a wiry Texan, formerly a controversial adviser to the Vietnamese army and now civilian chief of operations in the 3rd Corps region, approach the broad situation with a refreshing candidness.

They feel, as does young Frank Scotton, a troubleshooter who has worked with Vietnamese in the countryside since 1962, that the job can be done over here, that the Communists can be beaten, and that a free Vietnam can emerge. Yet men such as Vann and Scotton have been sickened by the gradual destruction of the Vietnamese countryside as the war gains ferocity.

When one flies in over the neat, lush paddyfields of neighboring Cambodia, a pall of smoke seems to hang over all Vietnam. Bomb craters scar the earth. The blur of the burned-out fields reminds you of the times you walked down there with the troops and saw farmhouses destroyed, cattle dying, roads clogged with refugees.

Flying into Saigon from the northwest, you can see eight major American bases carved from the jungle. More are in the north, nestling alongside mountains, spreading down valleys. A dozen others are on drawing boards.

Still, this is a limited war, with adjacent areas off limits to U.S. forces, and some military men argue that that is why it has not led to better results. Field commanders openly express frustration about borders they cannot cross to get at enemy sanctuaries. Some see a need to invade North Vietnam, to destroy on the ground an enemy capability that has withstood constant assault from the air.

It is hard to escape the conclusion that as the months go by the solution of the conflict is being viewed more in purely military terms than in negotiations or pacification.

The irony is this: If the American and North Vietnamese forces were suddenly whisked away, South Vietnam would be back basically to the situation in 1962, so little has a real penetration of the Communist problem been made.

PUBLIC GRAZING LANDS IN OREGON

Mr. MORSE. Mr. President, on behalf of my colleague, Senator HATFIELD, and myself, I ask unanimous consent that there be printed at this point in my remarks, Enrolled House Joint Memorial 19 of the Oregon Legislative Assembly. This memorial was adopted by both houses of the legislature and was re-

adopted by the Oregon House of Representatives on June 9 and by the Senate of the State of Oregon on June 12.

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

ENROLLED HOUSE JOINT MEMORIAL 19

To the Honorable Senate and House of Representatives of the United States of America, in Congress Assembled:

We, your memorialists, the Fifty-fourth Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas the Bureau of Land Management of the Department of the Interior is charged with improving and maintaining the public range lands at a level of forage production in keeping with the need for watershed protection and other resource uses; and

Whereas the bureau has announced reductions of 52,886 animal units months in grazing use scheduled over the next three years on public lands in Eastern Oregon; and

Whereas it has been estimated that a sum approximating $3 million is needed for rehabilitation of the public grazing lands where reductions are scheduled, primarily to insure watershed protection and erosion control but also to restore forage for livestock and wildlife and to perpetuate other multiple-use benefits; and

Whereas it has been the policy of the Bureau of Land Management not to permit the expenditure of money by private individuals for purposes of the long-term rehabilitation of public grazing lands; and

Whereas the announced reductions in grazing use would be deleterious to the economic well-being of this state generally, and especially of those communities dependent in large part upon the livestock industry; now, therefore,

Be It Resolved by the Legislative Assembly of the State of Oregon:

(1) The Congress of the United States is memorialized to appropriate the moneys necessary for rehabilitation of the public grazing lands in this state where reductions in grazing use have been scheduled by the Bureau of Land Management, so that the necessary watershed protection, natural beauty, and erosion control may be accomplished as speedily as possible without drastic reductions in grazing use and consequent economic dislocations in this state. Until such time as Congress provides funds for public range improvement, it is urged that grazing use be stabilized at its present permitted level.

(2) A copy of this memorial shall be sent to the presiding officer of the Senate and of the House of Representatives, to the Secretary of the Interior and to each member of the Oregon Congressional Delegation.

Mr. MORSE. Mr. President, the Senators from Oregon are particularly pleased to call this memorial to the attention of our colleagues because it supports a program which we have endorsed enthusiastically along with a number of our colleagues in the Senate.

The rehabilitation of western grazing lands constitutes one of the wisest investments of Federal funds in the preservation of our great natural resources.

Earlier this year we joined with our colleague, Senator LEE METCALF, in asking for an increase of slightly over $2 million for fiscal year 1968 with which to do more intensive and accelerated soil and watershed conservation work. Although this increase was not included in the fiscal 1968 appropriations, we intend to continue our work in support of increased funds for this purpose. To that end, we joined with Senator METCALF and other western Senators in addressing a letter to the President on June 30, 1967, in which we said:

On June 14 the Wall Street Journal reported that the Bureau of Land Management had accepted bids totaling more than $500 million for oil drilling rights on the Outer Continental Shelf.

This Bureau manages almost 470 million acres of public land, more Federal land than all the other government agencies combined. Year after year it earns far more money than its budget. Land managed by BLM includes the top of water sheds which are vital to the West. Much of this land is in critical condition.

We urge that action be taken now to request in the budget for Fiscal 1969 additional funds for major conservation requirements on the public lands. A budget increase for BLM equal to 1% of the bonus bids for this oil—$5 million—would provide funds to handle major erosion problems on many of our vital watersheds.

In statements to the Appropriations Subcommittee this year, we asked that some of the profits from our public lands be reinvested in their conservation. We hope you share our view.

It is imperative that steps be taken immediately to rehabilitate the vaste range lands of the West. These lands are sources of food and fiber for our generation and coming generations. We must not permit them to erode and deteriorate. We must conserve and enhance them because they are among the most precious of our resources.

WISCONSIN PUBLISHER WRITES PERCEPTIVELY ABOUT JOB CORPS

Mr. PROXMIRE. Mr. President, over the past few months a distinguished Wisconsin journalist, John M. Lavine, has written for the Chippewa Herald-Telegram an impressive series of articles about Job Corps centers in my State.

Wisconsin has three Job Corps centers—two conservation centers at Clam Lake and Blackwell, and one urban center at Camp McCoy. Altogether 1,278 Job Corpsmen are now located at the three centers. Only six States have a bigger financial stake in this program than Wisconsin, which has received $13,465,230 for the centers located there.

John Lavine's series is especially impressive because it eschews the sensational but negative approach that so many journalists have used in handling this subject for a solid assessment of the positive aspects of the Job Corp program. For example, in discussing the cost per year per corpsman of $5,580—a cost many critics have called excessive—one of the Lavine articles puts it this way:

There are fantastic odds that almost 100 per cent of the boys at the center if they are not taught to read and given a trade will spend the rest of their lives on relief. If that happens society will pay $100,000 or more per man before their lives are over. And this doesn't include the problems that society will have with them with crime and other things. On the other hand, when these boys leave the Job Corps, we know that they are not only able to read and write, but they are able to . . . have a skilled trade which will give them employment.

This is good honest reporting of the highest quality. It is just like one of the memorable quotations from the series John Lavine wrote. I ask unanimous consent that the articles be printed in the RECORD.

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

[From the Chippewa Herald-Telegram, Dec. 3, 1966]

THESE BOYS HAVE BEEN WORKED OVER BY PROS

(By John M. Lavine)

Last Thursday I spent the day at the Camp McCoy, Wisconsin Job Corps center, and, to say the least, my trip was a real eye opener.

It all began some weeks prior to my visit to McCoy—which is just a few miles from Tomah, Wisconsin and about 90 miles from here. I received a note from Max "Muggs" Lorber, the now retired director and founder of Camp Nebagamon for Boys—one of America's finest private boys' camps.

I have known Muggs for many years. I knew him as director of his famous camp. I also knew of his off season work in his home community of St. Louis in some of the toughest sections of the city with its meanest kids. Most important, I knew Muggs was a very two-fisted realist.

Hence when Muggs said that he was coming to McCoy as a consultant on recreation to the Job Corps, I was thrilled. Here was my chance to visit a Job Corps center without having to be herded around by professional "P.R." men.

As fast as I could, I wrote back to Muggs, and said that I would love to see him again. More important, I asked, could I do a story on the Job Corps at McCoy at the same time as my visit?

MOST FASCINATING DAY

His also one word reply was "yes, come ahead," and thus began a most fascinating day.

When I arrived at McCoy, I couldn't help but wonder at the lack of logic at putting an expensive Job Corps center out in the middle of a forest—when the kids who were there came from the big cities and would be going back to those big cities. But I assumed that the reason for the placement of the camp was to use the McCoy facility and to fill the political need of boosting the economy of the Tomah area.

When I got into the center all thoughts of politics left me.

There was Muggs, looking better than I have seen him look in years. And with him was Bill Smith, the Project Manager of the whole center.

Smith is a young man who frankly impressed the devil out of me.

As we began to talk, Bill sounded like a corporation executive. We were walking into a Corpsmen lunch hall for lunch. There was a lot of racket, but Smith was rapid fire giving me an outline of how the center was a contract of RCA Service Co., who had a contract with the government to rebuild and run McCoy for the Job Corps.

By the time we got to our table with trays heaped with spare ribs—one of my favorite foods—Bill had finished the formal type outline, and he got down to the heart of what the McCoy center—Smith's center—was up against and was trying to do.

"Look," Bill said, "these kids are from a different world. That is the most important thing to understand. They come from the block; their life is spent on the street in front of the tenements."

"What do these kids know?" Bill continued. "Their whole existence is centered around their ability to fight, to flunk school, to survive in the gang, to accept that they will not succeed; that they have no chance."

"And you have to understand," Bill said. "None of the normal, middle class values and techniques of working with boys work or

mean a damn here . . . These boys have been worked over by professionals—their drunk parents if they are lucky enough to have parents. To curse, to flunk, to fight—this is their life . . . They don't understand or find any meaning in even the vocabulary of the middle class."

"But how do you know how to work with them, to talk with them?" I asked naively.

Muggs broke in at this point. He told me that though Bill had been the dean of a college and had academic degrees to burn, he had grown up on a block in Harlem.

"He doesn't talk, but lives guts sociology", Muggs said. "Bill wants no part of the glib talkers, the theoretical sociologist. He knows that a staff member has to be willing to work the clock around; he has to get to the boy—one boy at a time—and do it endlessly, in the class room, or at 2 a.m. in the bull session."

50 TROUBLEMAKERS

"And let's get one thing straight," Bill said. "We will soon have 1,000 boys here. (With the recent cutback in Congress, the McCoy center will have only a thousand boys rather than the 1,600 originally planned.) Now in that group we will probably have 50 troublemakers who don't want to get anything out of the program, but to wreck it. We'll try to reach those fifty, but if they are hurting the program to the loss of the other 950, out they go . . . I know that the social workers say that the 50 are deserving of help. And they are. But so are the other 950 and there are more of them."

"You see," Muggs said, "the Job Corps is voluntary. The boys who are here have dropped out of school. They finally see that they have to get an education and they come here. But if they are hurting the program and we can't get to them, then Bill doesn't want them."

"O.K." I answered. "This is all well and good, but what about the cost of maintaining the boys who are here? I've read that it costs as much to keep a boy here is it does to send him to Harvard."

That's wrong," Bill threw back. "It cost more, and it should. By the time the center here is fully operational it will cost $6,500 per year, per boy. And the average Corpsman will spend 13 months here."

"But let's talk about the whole picture," Bill continued coldly, but objectively. "If that boy finishes here we know that 55% of the graduates will get jobs which they could never get before. Thirty five percent will go into the military service—which they could not make before. Ten percent will go on for more education . . . If the same boy stays on the block, he will never get a job or an education, and it will cost society $100,000 to keep him on relief for his life."

"Now," Bill said, "do you think that the investment is worth while?"

The answer had too much logic. I was hooked and I knew it.

"And let's get one other thing straight," Bill continued. "We've got a job which is even more important than vocationally training the Corpsmen—as crucial as that is. This boy who comes here doesn't think he's worth a damn. We know that when he leaves here, he will go back to the block. But what we have to do is get him ready to return right back to that block, to get a job, and, most important, to think enough of himself that he will try to improve himself from where he starts. In other words the boy has to be able to meet the gang, to mix with them, but to not accept as final his poverty, culturally deprived life. What he comes from is a vicious cycle. The worst part of it is that he doesn't see a way out and he won't accept that there is one."

"When he leaves here we know that he will go back to the same environment that he came from, but he has to be able to go back and survive, but to survive with a different attitude. He has to think that he is worth something, that it is worth trying that he isn't owed a chance, but that he can earn and get a chance."

To say that I was impressed by Bill Smith and what he had to say, would be a gross understatement. He obviously knew what had to be done and he knew how to do it. The question that remained for me was could the job be done.

[From the Chippewa Herald-Tribune, Dec. 6, 1966]

McCoy Job Corps Center People Would Like To Know How Many Lives Could Be Salvaged With Time and Money?

(Editor's Note: Yesterday in the first of this two part series on the Job Corps Center at Camp McCoy, Wisconsin, John Lavine, publisher of the Herald-Telegram, reported his meeting with Bill Smith, the dynamic project manager of McCoy. He noted the problems that Smith and Max "Muggs" Lorber, an old friend of Lavine's and now a recreational consultant to the Job Corps, had in working with the Corpsmen who come from the toughest neighborhoods of our country's big cities and who understand little if anything of middle class values or even vocabulary.)

(By John M. Lavine)

Before I met some of the Corpsmen, Bill Smith told me about the boys who came to McCoy.

"By and large they are from the tenement block of some big city," Bill said. "Though we would like a racial mix that is like society, we can't have it because the kids who need the Job Corps are not racially mixed in a balance like society."

"As a result, over 65 per cent of the young men who come here are Negro, and that is the way it is going to have to be."

"Do you have a very large drop-out factor?" I asked Bill.

"We don't know about McCoy yet," Bill answered. "The center here is too new. But overall the Job Corps has a dropout rate of less than 25 per cent—which is less than in most big city high schools. And you have to remember that almost 100 per cent of the boys who come here were school drop-outs before they decided to enter the Job Corps. For them to stay is quite something."

As it happened, a boy who had been at McCoy for seven weeks was coming over to the administration center when I asked for a Corpsman to show me around.

A staffer asked the young Corpsman from Chicago's near Southside if he would be my guide. His name was Billy Mitchell.

As we started to walk, I asked Billy about the Job Corps himself, and why he was at McCoy.

TURNED TABLES

No more had I asked the question when the serious young man turned tables on me and asked what I thought the Job Corps was for. I answered as best I could, saying, in essence, that the reason for my trip was to get a better answer to his question.

Billy then said that he could define best what the Corps was not rather than what it was. "It's not just for poor boys," Billy said. "I didn't come here because I'm poor or my family is poor."

"Why did you come?" I asked.

"Because I once thought that I was a smart guy. I dropped out of school in my third year to get a job. It was good money, but after a while I figured I wasn't so smart after all . . . Then I heard about the Job Corps and I quit my job . . . I wanted to finish my education. Then I'll go into the Army, then get a really good job."

As Billy talked, many things came to light. I would think it is fair to say, for example, that Billy did come from what we might call a culturally deprived family—one where education did not mean enough to make him see the sense of staying in high school, let alone learning a skilled trade.

LEARNED A LOT

As we walked around the McCoy center, however, it was equally obvious that Billy Mitchell had learned a lot since he came to McCoy.

Now, Bill had pride. He wanted to show me the welding classes for the Corpsmen, "because they do really good work." (Bill had been in the welding class and then had switched to business machines.)

Billy was also sorry when my friend Muggs suggested that we visit a nearby dorm, rather than cross the camp to see Bill's dorm. "Ours is really in good shape," Bill said firmly. And when the counselor of the dorm we visited needled Bill that the dorm we were in was neater than his, Billy spoke right up and said he thought his dorm was every bit as good as the one we were in.

Late in the walk around the center, we also visited an English class. There were four or five Corpsmen in the class and two teachers. The boys were reading the typical high school literature, but what interested me was the personal attention that the boys received. (Each boy has to take English. "It's important to know how to communicate, no matter what they do," the teacher told me.)

I saw one of the early themes of one of the boys in the class. I remember one part of it. The theme was on the boy's time in high school in his home town. One of the paragraphs read, "There was lots of kinds of kids at school. Some of them was my buddies. Some of them only seemed like buddies. When there was a fight the ones who wasn't buddies would take off."

It wasn't the finest English, but it said a lot about the writer.

THE BIG BOSS

As Billy and Muggs and I walked back to the project manager's office, Billy told us about a meeting he and a couple of other Corpsmen were having with Project Manager Bill Smith.

It seems that these boys were leaders and had gotten into a bull session the night before in which they had aired some gripes about the center. Now, they were getting a chance to air them to Bill Smith—"the big boss."

As Billy Mitchell talked about his "gripes"—which I was sure Bill Smith would get straight—I thought of Smith's comments earlier in the day.

"The honeymoon is still on, John," Bill Smith had said. "After the boys receive basic training here, they go to businesses in the area that work in the trade they are learning. There they not only get further training, but they also learn what it is like in the professional world they are going back to."

"But you have to remember," Bill Smith added seriously, "these are not lily white, good, pure little boys. So far we havn't had any serious trouble. But some day we're going to get a rotten apple and that kid is going to go into town and cause trouble. Then the test comes, and we can only hope that the community affected realizes who these kids are, where they come from, and what success we are having with the majority of them—even if there are a couple of sour ones along the way."

As I recalled Bill Smith's comments, I thought of how they might apply to Billy Mitchell. It was obvious that Billy was not only a natural leader, but he was also just as capable of causing a revolution at the center, as Bill Smith described, as of leading the Corpsmen in a constructive way. And if the staff were not alert, the "end of the honeymoon" could come with a bang!

What are the impressions that I got from my time at McCoy center? Well, first, it is obvious that men like Bill Smith, the project manager, and my friend Muggs Lorber,

really know what type of boy they are dealing with, what his problems are, and how to make the Job Corps worth every penny we are spending for it. (Certainly, if a $6,500 investment for a year's training for a Corpsman can save society $100,000 not to have that man on relief for the rest of his life, it is worth it. Yet, the real meaning of the Job Corps can't be measured in monetary terms. It can only be really measured in whether it breaks the culturally deprived way of thought of the Corpsmen, if it gives his life meaning and purpose—in the best sense of those terms.)

Yes, I think that men like Bill Smith are doing their job and doing it a lot better than I could have ever guessed it could be done. But I also realized as I met Smith's staff that finding men and women who can serve as effective staff for the Job Corps is almost impossible. And if the Job Corps is to grow and be meaningful, these types of people are going to have to be found.

Another conclusion that I came to—and which I had guessed even before I came to McCoy, but which was validated there for me—was that people are wrong when they say, "Oh, those boys are poor, or uneducated, or culturally deprived, because they don't try. If they wanted to be different, they would be."

NOT TRUE

Some people may say that. And perhaps, for a few Corpsmen it applies. But I know that for the ones I met, no statement could be further from the truth.

These boys dropped out of school because no one told them that education was the key to surviving in the future. They found worthless jobs or joined gangs or had brushes with the law because they had no family or their family didn't give a hang where they were or what they were doing.

In spite of all this, these boys are, in some ways, just like every other 17–21 year old boy. They have desires and aspirations, but they don't know that they could be fulfilled any other way than by violence. And, in fact, before coming to the Job Corps violence and cussing were about their only answer to a society whose basic language and manners they knew nothing about.

And certainly these lacks were not of the Corpsmen's doing. Somewhere along the way neither their families nor society had given them the manners or vocabulary they needed to make the grade in 1966. And if they didn't have these tools they couldn't be expected to use them.

There was one other observation or prediction that was suggested to me about the Job Corps, and frankly it isn't too pleasant a one. That prediction is that the Job Corps won't last, and if it is discontinued, as a personal opinion, I think that it will be a real loss.

Why won't the Corps last? Well, the President and politicians have to curb government spending, and I can't think of any program which would be easier to cut than the Job Corps.

After all, how much time do we spend reading about or talking about the great majority of boys who come out of this program as productive members of society? No, these aren't the ones who are talked about. What we read and hear about are the explosive incidents as some Job Corps Center or with some Job Corpsman in a city.

NEGATIVE INCIDENTS

There are these negative incidents. I don't see how they could be avoided when a program is working with the type of boy that the Job Corps takes on.

And even though the number of total boys in the Job Corps versus the tiny faction of a per cent who cause trouble is overwhelming, the one incident in a town or at a center gives the whole program a bad image. And it is because of that bad image that I think the politicians will find the Job Corps the easiest program to cut.

I have no source for the opinion I have stated here. It is just an observation or prediction that seemed to fit after visiting the McCoy center, and then talking with people who were not familiar with the Job Corps program.

And what if the program does die? I can only quote a Job Corps staff member at McCoy who replied as follows when I posed the predictions about the end of the Corps to him: "You know, John," he said, "You could be right. I hope not, but I obviously don't know. The other day I was reading, though, and a fact in the news struck me. It costs this country as much to fire one space shot as to run this whole program for three years. I wonder if they couldn't just give us one of those space shots—and get to the moon a month later—so that we could try—seven days a week, twenty-four hours a day to do a little good for some boys and girls who really need it right here on earth?"

WHAT'S WITH MCCOY'S JOB CORPS CENTER? LAVINE TELLS "WHAT"

At Camp McCoy, just a stone's throw from Tomah, Wisconsin, there is a new Job Corps Center.

What is the center like? What sort of training does it give to the young men such as those pictured above? What are its problems with the tough, culturally deprived 17–21 year old men who come there? Is it true that it costs the taxpayer more to keep a boy at a Job Corps Center for a year than to send a boy through a year at Harvard University?

These and many more biting questions about the McCoy Job Corps Center and the Job Corps in general are answered in an exclusive Herald-Telegram two-part series which begins on page 7 of tonight's paper.

Travel with the Herald-Telegram's publisher, John M. Lavine, as he tours the McCoy Center. Lavine talks with Center Project Manager Bill Smith, "a guy" who Lavine says "talks the guts level, tenement language which is the only talk the in-coming corpsman understands."

Also spend time with Lavine and some of the Corpsmen. Learn what they have to say about the center, what it does, and what they think of it.

[From the Chippewa Herald-Telegram, Dec. 14, 1966]

JOB CORPS RECRUITERS GO DEEP INTO CULTURAL WOODS

(By John Lavine)

Last week I did two articles on the Job Corps at Camp McCoy.

I was happy to take the trip to McCoy, but unhappy with the outcome of the articles since there is so much more to the Job Corps than my small pieces offered.

Then, a call came from Eau Claire, and a whole new facet of the Job Corps and how it affects this area opened up.

The call was from Don Ickstadt, former Chippewa Falls-ite, and now manager of the Wisconsin State Employment Service in Eau Claire.

Don commented on the articles and in the process of discussing the Job Corps he told me—to my surprise—that the recruiting for the Corps in Wisconsin is handled by the state employment office.

"Wait a minute," I questioned. "There aren't boys from around here who would qualify for the Job Corps are there?"

"Well, sure," Don said, "we have sent over 60 in so far."

I don't know why, but I had always had the stereo-type picture that the Job Corpsman comes from a big city tenement. As I thought about it, however, I realized that a culturally deprived boy could come from any area, and it made a lot of sense that there would be potential Corpsmen right here in Chippewa County.

As you can imagine, when Don talked about this my "there's a column" bell rang, and I asked if I could come down to the employment office and talk with Don and the man who did the actual recruiting of the boys for the Corps.

Don was very helpful, and the date was set.

When Don and Bob Moore, the man who handles the recruiting, and I sat down to talk, a fascinating story about the Job Corps unfolded.

"You see," Don began, "we have found that the regular type of recruiting does not work for the Job Corps. To be frank, the average recruit does not usually read the newspaper or hear the radio or TV announcements of the employment service."

"Well, how do you find potential recruits to contact?" I asked.

"There are many sources," Bob Moore said. "We get suggested names from church groups, school guidance people, teachers, the welfare department, town chairmen, parole and court officials, county agents, many sources. They tell us of a boy who they think will benefit from the training of the Job Corps. Then, unlike most of the job work which is done here, we find that the best bet is to go right out to the boy's home and talk to him."

"You'd be amazed," Don added, "what places Bob ends up talking to these boys in—pool halls, on the farm, in the woods, etc."

"Can you give a picture of the typical Corps candidate?" I asked Bob.

"Yes," he answered. "They usually come from isolated areas of the nine counties we cover. Many of them are school dropouts, and they are usually what we term 'underemployed.' They are not always of poor families, but they are usually from culturally deprived families."

"What do you mean by 'underemployed'?" I interrupted.

"Oh, that is just our way of saying that they don't earn enough at the jobs they have or could get to support a family. Many of them are part-time helpers, part-time pulp cutters and the like."

"There are many other characteristics of a potential Job Corpsman," Don added. "Many of them come from homes where there is parent trouble or where a parent is missing, or unstable."

"Do you have trouble selling them on the Corps?" I queried.

"Not usually," Bob answered. "I try and point out what their future is if they don't get trained. Then we test them for reading ability and mental reasoning. And, finally, if they are accepted, the Job Corps assigns them to a Corps Center . . . As far as selling, since the Corps is voluntary, we don't try to sell—at least not actively. We just lay out the future as realistically as we can. Then, if the boy wants to go, it is up to him."

"Do you have any idea what has happened to the boys you have sent to the Corps," I asked.

TOO EARLY

"It is a little early to tell," Don said. "We do know that some have gone on to the service—ones who couldn't get into any military service before they joined the Job Corps. Some have also gone back to school—since in a few cases we have had boys who were very bright, but not originally motivated to "put out" in school . . . And, of course, some of them are vocationally trained and leave the Corps to get skilled, productive jobs in industry."

With this picture, I figured I would ask both men two questions which had been bothering me.

"Do you think that the Job Corps is effective and do you think it will last?"

"I don't know if it will last," Don answered. "Perhaps it will be cut down by the cutbacks in government spending that we are hearing about. I don't know and I don't

think that anybody does. But I am sure that there will always be a smaller program of the Corps."

ONLY ANSWER

"As far as the questions of whether it is effective and worth while, I would say that the Job Corps is the only answer left for the type of boy who joins it."

"What else is there that is effective and meaningful for the boys who join the Job Corps?" Bob asked.

"You see, John," Don continued, "Unemployment is a problem with a multitude of facets. In fact the unemployment of a person is many times just a symptom of many other difficulties."

"The Job Corps is the last chance for most fellows of the type who consider it. And as far as we are concerned, it is an important tool since we have seen nothing which is as effective for reaching these boys and breaking the cycle of their culturally deprived, educationally deprived thinking and backgrounds."

"Yes, but is it all that meaningful and effective," I persisted.

"I suppose that it is still too early to say positively," Don said reflectively. "But I do know this, there are boys from the nine counties around here who, when they come to our office for their swearing-in to the Job Corps, have never been that far away from home . . . More important, when Bob and I were up at the Clam Lake Job Corps Center, we saw boys reading who eight weeks before were unable to read . . . They are using programmed teaching methods with small classes, and with the possibility for each boy to go at his own speed . . . They are trying new teaching techniques and ways to teach, and the results are pretty startling. Not only are the kids enthusiastic, but they are becoming literate—where they were illiterate when they came to the Job Corps . . . To me that is pretty impressive."

"And when you go to a camp like Clam Lake, you would be really a little startled—or at least I was," Bob Moore said. "There are tough boys with books under their arms, and there are kids who, when I interviewed them, didn't give a damn about anything, building the camp and taking great pride in it."

"I guess what we are trying to say is that in the Corps the boys seem to have learned that they are not as unintelligent as they thought," Bob concluded. "They are realizing that they can learn and achieve, and for all its problems, it's a wonderful thing to see."

Don Ickstadt and Bob Moore were impressed. They obviously had a difficult job on their hands with the unusual type of recruting necessary for the Job Corps, but they also obviously felt that their efforts were worthwhile in what the Corps was doing with the boys they found.

Was there anything we could do to help them and the employment service?

"Yes," Don said as I got ready to leave. "Tell people not to hesitate to call or write us if they know of a lad between 17 and 21 who they think would benefit from the Job Corps. We'll take it from there."

And I am sure they will.

HERALD-TELEGRAM PUBLISHER TOURS CLAM LAKE—MUST SEE JOB CORPS CENTERS TO BELIEVE THEM

(By John M. Lavine)

Last week I had quite an experience. I visited the Job Corps Center at Clam Lake, Wisconsin, in the Chequamegon National Forest.

Same months ago I spent some time at Camp McCoy, where there is a large, urban Job Corps Center. And I followed up that trip by interviewing the Wisconsin State Employment Office at Eau Claire who does recruiting in Wisconsin for the Job Corps.

However, most of the Job Corps Centers in the United States are not large urban centers such as McCoy. Rather, they are centers run by the United States Department of Agriculture's Forestry Service—the same men who are forest rangers and take care of our national forests. And since I had heard a lot about the Clam Lake Center and the slightly over 200 Job Corpsmen who populate it. I wanted to try to find out what this sort of center was all about.

To sum it up briefly, the conservation centers are sort of "grade school" from which young men "graduate" to the urban centers like McCoy.

Getting to Clam Lake this time of year is a fun experience. I drove from Chippewa Falls up to Hayward, then to Cable, past Mount Telemark, the ski hill, and on into the Chequamegon National Forest. A few miles into the forest there was a sign on the main road which said, "Job Corps Center, Four miles." I turned my car onto the blacktop sideroad and followed it for the four miles on a road surrounded on each side by magnificent pines. Then suddenly I came into a clearing filled with clean, neat, green, metal-sided buildings that bore signs like, "Maintenance Shop, Welding Shop, Office, School, Dormitories."

The man I was going to visit at the center is Don Christensen, the educational director, and up until a short time ago when he joined the Job Corps, a professor at the university in Eau Claire. (Prior to that Don was a high school and elementary school teacher.)

WILL YOU MOVE

As I entered the center's area, signs directed me to the "office." I just had parked my car in front and opened the door when I heard a warm, polite voice behind me say, "Sir, would you mind moving your car back about a foot? We have to put in a curb there." The young man who spoke was, I guess, about 16 years of age, and his accent made me think he was from somewhere near Chicago. He was Negro and the boy that was working with him was white. They were in the process of lugging 100 pound cement curb sections to form a line across the front of the office.

Obviously, I moved my car, and they smiled and lifted the section of curb they were to put right over the place where my front bumper had been.

The rest of the day at Clam Lake I spent with Don Christensen. We had a most interesting talk with Jack Weissling, the director of the Clam Lake Center, who is a professional forester. After a number of years in the forestry service Jack was asked, some two years ago, to take over and erect Clam Lake.

NOT LIKE OLD CCC

I suppose I should note at this point the Conservation Job Corps centers are not like the old CCC camps, but they appear to be somewhat similar. The difference is that the boys at the present conservation center, though they do a great deal of work, spend more of their time in school and vocational training than was true in the CCC days.

As Don explained it to me, the boys spend one week in school learning basic subjects like mathematics and English. Then, they spend a week on a work crew. Work crews are presently involved in building a ranger station elsewhere in the Chequamegon Forest and a dam which will create a lake when it is completed. Besides this, one of the work crew leaders told me that the boys have done most of the work—including wiring, carpentry, and site development—for the Clam Lake Center. "They work under a skilled tradesman," one of the crew leaders said. "We bring in a carpenter when we have some building to do, and he'll direct the boys, showing them what they are doing wrong and what they are doing right. They respond well to these men, respecting their ability and quickly grasping what should be done and how to do it."

Since I had arrived at the center about noon, Don and I walked over to the mess hall for lunch. As we stood in line I found myself falling into a conversation with a young man from Georgia who had been at the center only 16 days.

"What do you think of it?" I asked.

AWFUL COLD

"It's fine," he said with a quiet smile, "but it was awful cold when I got here. The temperature was way below zero, and it was 76 above when I left home."

"What are you learning?" I asked him. "Oh, that part of it's great," he answered. "I'm in the welding class and I've already worked on a welding project that seems to be coming out fine."

I suppose I should note at this point that one major difference, as Don explained it, between a conservation center like Clam Lake and an urban center like McCoy is that the academic grade level at Clam Lake more often than not is eighth grade and below. These young men are really like the stereotyped Appalachian deprived teenagers. They range in age from about 16 to 23. Many of them can read very little or not at all.

"This is why we think of it as an elementary school," Don said. "Here the boys not only learn a trade, but they gain a grounding in basic education. When they leave here, they can read and write. They have also covered basic mathematics, and then they can go on to a center like McCoy where they can get a high school diploma if they want one."

"Some of the boys, however," Don added, "learn to read and write here and learn a vocational skill to a degree that they can get a job as soon as they leave Clam Lake." To prove his point, Don took me to the welding shop, auto mechanics shop, and carpentry shop where it was obvious that the young men who were working under the watchful eye of skilled instructors were gaining a competency that would easily allow them to qualify well up on the apprentice ladder in a number of trades.

DROP-OUT FACTOR

When I first arrived at the Clam Lake Center, I asked Don and Jack Weissling about their costs and drop-out factor since these are questions which have been part and parcel of the negative press comment the Job Corps Centers have received, and they bothered me.

"We have about a 35 per cent drop-out factor," Jack said. "It's higher than at urban centers where the percentage usually runs about 25 per cent, but this center is more isolated, and the change for many of these boys, who have never been away from home, is more severe. Actually, however, if we can keep the boy the first 10 days and through the first weekend, chances are very high that he will remain on with us."

"How long does the average Corpsman stay?" I asked.

"Nine months," Jack answered. "And our cost now runs about $5,580.00 per year, per corpsman. Hence, if they stay nine months it is three-fourths of $5,580.00."

"As long as we are talking costs," Don added, "you should understand that right now Clam Lake Center's cost figure is somewhat inflated, since we are still paying off and finishing some of the construction for the center."

"No matter how low the figure for Clam Lake is, however, the cost for any given corpsman for nine months is pretty substantial. How can you justify such an expenditure of money?" I asked Don and Jack.

"It does sound like a lot," Don answered, "but you have to look at the entire expenditure in perspective to understand it. There are fantastic odds that almost 100 per cent of the boys at the center if they are not

taught to read and given a trade will spend the rest of their lives on relief. If that happens, society will pay $100,000 or more per man before their lives are over. And this doesn't include the problems that society will have with them with crime and other things. On the other hand, when these boys leave the Job Corps, we know that they are not only able to read and write, but they are able to enter the military service or go forth in the world with a high school diploma, or have a skilled trade which will give them employment."

PAY FOR ITSELF

"The best way I can sum it up," Jack said, "is that a mathematician friend of mine pointed out that the Job Corps will rapidly pay for itself if only a small percentage of the men that leave here are not on the relief rolls before they die. And we know they are not going to be on relief if they have jobs and a future which they have when they leave here."

Now, certainly, the Job Corps as a whole and Clam Lake and McCoy in particular, are not 100 per cent successful or without their problems. When one observes these centers, it's obvious that two major problems they have are applicable to the Job Corps as a whole.

First, the centers are working with the toughest, most illiterate, uneducated young people in the country. Or, to state the case more graphically, they are working with the criminals and social out-casts of tomorrow. It all boils down to the simple fact that the Job Corps is going to have trouble with some of the people they deal with. As I see it, there is no alternative to this. Yet, the Job Corps should not be judged on whether or not there are incidents at a given center, since with the type of young people who become Job Corpsmen, there are bound to be some problems. The criteria on which the Job Corps should be judged, in my opinion, is whether or not it is successful in returning some of these young people to society as skilled workers who can earn a wage and build a livelihood for themselves or as educated young men and women who can go on to get further education and find a place in the world. And using this criterion, it's quite obvious the Job Corps, despite all of its problems, is quite successful.

STAFFING PROBLEM

Also, the Job Corps, like many of the poverty programs, has a staffing problem—except that in the Job Corps the problem is even more acute than in other areas.

I can think of no work that is more rewarding than working with an illiterate, unskilled, uncultured 16-year-old. And then, nine months later, after a pressure cooker schooling, seeing that same young man mature into a literate, skilled, polite person. Yet, as rewarding as this work is, it seems to be too big a challenge for many people, for at both Camp McCoy and Clam Lake the organizational charts show many vacancies in staff positions where teachers in the classroom or vocational area instructors are lacking. And not only is there a problem that many of these skilled people do not offer their services to the Job Corps, but there is also the problem that sometimes those that do offer have to wait so long before the funds are available or their processing is complete that they become discouraged and find employment elsewhere.

Yet, despite both of these problems, a person can gain a unique and very different view of the Job Corps visiting a center and talking with the corpsmen. It is certainly a very different picture than is gained from trying to evaluate the Job Corps by the sketchy reports that are written about the centers.

Finally, there are many things of interest about Clam Lake that could be related at this point to give examples of the activities of the Job Corps. Perhaps, however, the best examples would be to tell about Willie Davis and the great Green Bay Packer star's first trip to the center, and to give the evaluation of two Job Corpsmen about the Clam Lake Center and their experiences there and in the Job Corps.

Willie Davis arrived at the Job Corps on Friday evening, April 1. He told the corpsmen that when he came he felt he "owed something to the younger generation." He complimented the corpsmen on their work in the Job Corps, as it represents "the first step towards a successful life."

REQUIRES SACRIFICE

Referring to his own success, the Packer star noted that "all accomplishments requires sacrifice and corpsmen must sacrifice old friendships for new horizons found in the Job Corps." He also told the corpsmen that they won't realize what they "gain from the Job Corps tonight, but you will four, five or 10 years from now."

Willie Davis concluded by saying that "every person has the talent and the ability to be successful in some venture of life; and that each corpsman has the great resource, youth that he must use in the Job Corps."

To say the very least, the young men were awed and inspired by the fact that the famous American had taken time to visit them and encourage them, as did Willie Davis.

Finally, to sum up the Job Corps, one might note two brief statements by two Job Corpsmen in their education class. The first statement, as its author explains, is written by a young man from Fairfield, Alabama. Interestingly enough, he is one of the few high school graduates at the Clam Lake Center. The second comment is by a 20-year-old youth from Decatur, Illinois. Both of the men had been at the Clam Lake Center and in the Job Corps for about three months. And it seems to me that their statements evaluate the Job Corps far better than I ever could.

HOW I FEEL ABOUT THE JOB CORPS

"Before I say anything about Job Corps, I would like to tell you about myself. My name is James E. Kindall, and I am from Fairfield, Alabama. I am a high school graduate of Fairfield Industrial High School, class of 1965.

"Now I would like to tell you about Job Corps and the great opportunity we have. And I know you want to know why I came to Job Corps. I could not find a good job so I decided to come to Job Corps so I could get a trade. Now that I am in Job Corps, I am getting the trade that I want, which is welding.

"We have a week of school and a week of work. In our school week we go to welding classes and many others. In our welding class, we learn how to do different types of welding. We learn how to do arc welding, gas welding, and many other types of modern welding. In this welding class we are making barbecue grills to go out in the parks around this part of the Chequamegon National Forest for the public to use.

"Now I would like to tell you about our work program. We have fourteen work crews, and here are a few things that they do. They are working in this part of the national forest to preserve the beauty. We have crews to work in and around the camp. And we also have a carpenter's crew to do different kinds of jobs.

"I would like to thank the people of the neighboring communities for showing the corpsmen of this center such great hospitality when coming to their communities.

"I would like to thank our center director, our corpsmen supervisor and the staff of Clam Lake Job Corps for helping me and so many other boys to become useful citizens so we can be self-supporting citizens in the future.

"I think that Job Corps is a great program for the American youth of today's generation. I would like to tell the people if you know any high school dropouts, tell them to sign up for Job Corps where opportunities are plentiful for any race or color.

"P.S. I think Mr. Barrett is the greatest welding teacher in the world."

HOW I FEEL ABOUT THE JOB CORPS

"Before I talk about the Job Corps, my name is James Otis Comage. I am twenty years old and I am from Decatur, Illinois. I am a corpsman here at Clam Lake Job Corps of Wisconsin. I have been here for three months.

"I decided to join the Job Corps when I was walking down the sidewalk of Decatur. I noticed a sign on a telephone pole and it was about the Job Corps. I didn't pay much attention to it at the time, I didn't care about the young people's generation. I went to the employment system to get information about the Job Corps. This I didn't forget. There was a lady at the employment office, she smiled, so I thought she seemed to be friendly so I'll ask her. She said, 'Good morning. What can I do for you?' I said, 'Miss, you can give me some information on the Job Corps.' She replied, 'Yes, how old are you?' I told her my age and she explained it to me and it was about a month before the papers came back. On the 27th of December, 1965, I left on Wednesday morning at 10:30 a.m. I got here on the 28th of December.

"Since I have been here, I think I have learned enough to go out on a job. Before I came here I was unable to find a job—a decent one. I would like to thank the government for this chance to better myself here at Clam Lake, Wisconsin. The other corpsmen here appreciate this opportunity. I also appreciate what the community has done for us. The community has helped the corpsmen be proud of what they are, what they have, helped them to realize the purpose of the Job Corps Conservation Centers all over the United States, to take pride in it and also to be counted among the good citizens.

"For this I am proud. In this camp there are some of the areas which the corpsmen come from: Illinois, Florida, Michigan, Virginia, Ohio, New York, California and there are others. Everyone seems to like this place, some of them really make themselves at home.

"As far as the school is concerned the teachers here are great, also the staff members and work leaders.

"JAMES O. COMAGE."

JUSTICE DOUGLAS DEFENDS PRESERVING THE BIG THICKET AND THE TEXAS WILDERNESS

Mr. YARBOROUGH. Mr. President, Supreme Court Justice William O. Douglas has just published a new book, entitled "Farewell to Texas," in which he says:

Progress is destroying some of the loveliest country God ever made—in Texas, as everywhere else.

Justice Douglas, an active, longtime crusader in the area of conservation and an experienced naturalist who knows about most of the loveliest country in the United States and the world through personal, on-the-spot observation, dons his crusading robe in this book "against the 'Ahabs' who recklessly and thoughtlessly destroy nature for greed and power. . . ." One of the areas to which Justice Douglas directs attention is the

unique biological area in southeast Texas called the Big Thicket, the subject of my bill S. 4, calling for the establishment of a Big Thicket National Park. This area, which Justice Douglas has explored on several occasions, most recently in June with me, is bent for destruction by the march of progress, and this great champion of nature's monuments thinks that it should be saved and given Federal recognition.

Mr. President, I ask unanimous consent that the excellent review of "Farewell to Texas," written by Mr. Lon Tinkle for the Dallas Morning News of July 9, be printed in the RECORD.

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

DOUGLAS DEFENDS OUR WILDERNESS
FAREWELL TO TEXAS

(By Lon Tinkle)

The Texas to which Justice William O. Douglas makes a tentative goodbye in his latest book, "Farewell to Texas," is not the Texas you expect. It is not Texas as "a state of mind" or a cultural entity or a political commonwealth. Justice Douglas means nonhuman Texas, that is Nature and Wilderness.

Crusading as usual in favor of the goodness of nature and the perfectibility of man, the Justice's new work is part of his consistent and good fight for conservation. Not conservatism, but conservation. He says emphatically that the enjoyment of rural nature, unmanicured and unpaved, the enjoyment of "wilderness America," is indisputably one of our country's traditions and inheritance.

In Texas, as everywhere else, Justice Douglas sees "progress" destroying "some of the loveliest country God ever made." He has made three aims in writing such a book as "Farewell to Texas": (1) to persuade Americans of the delights still available next to nature in our forests, mountains, streams—in Texas, in such areas as the Big Thicket, the Big Bend, the Davis Mountains, Guadalupe Peak, the Hill Country and others; (2) to persuade Americans, once they appreciate the natural beauties of their land, to find their relaxation not only in machine-made amusements but in hiking and camping and exploring; and (3) to persuade Americans to find a solution for keeping "progress" alive while also preserving our vanishing "wilderness" heritage.

He is an effective pleader, for he genuinely loves—and knows—the natural "landmarks" he describes and glorifies. Whatever else you may think of Justice Douglas, you have to admit that his behavior and his beliefs and his social philosophy are consistent with his faith in the natural goodness of man and in vigorous, rewarding nature. He is an unreconstructed Rousseau.

With the same consistency, Justice Douglas believes in the virtues of planning and of federal control. These are his means of outwitting the destruction that "progress" entails. We don't have to submit to the destruction, he claims; we have only to control "progress" in such a way as to save Nature.

But he doesn't think Texans have enough partisans of Nature or enough conservationists of any power politically or economically to do the job by themselves. He thinks to save the Big Thicket from the lumber companies, to save Big Bend grasslands from rugged ranchers who overgraze their private holdings, to save Gulf Coast wild life refuges and crustacean habitats from oil well practices and highway demands for oyster shell—to save these and many other items even down to the dinosaur tracks on the Paluxy," the Justice thinks Texas must invoke federal aid.

Still, some preservation should and can be done privately. His major project for Texans is the creation of a Hiking Trail—stationed at proper intervals with camping sites and 66 facilities and with bypaths mapped—that would run from Glen Rose (an area he finds intensely interesting) on down through the Hill Country and by way of Canyon Dam (along the beautiful strip known as the Canyon Road) on into San Antonio.

This trail, he says, should be called the Lyndon B. Johnson Trail: "He has traveled and hunted areas that will make up parts of it." There is also the fact that this several-hundred-mile hiking trail across the Edwards Plateau is "a President's Country." He thinks easement across ranches could be easily secured. Models for such planning exist in the famous Appalachian Mountain Club in New England, the Green Mountain Club in Vermont, the Sierra Club in California.

It is a grand idea. Thus, "apartment-bred" modern man, vacationing at camp sites along the trail, would come to feel that the "land is sacred," he would be renewed by the sense of the "one-ness" of all life, of man and wild life, and grasses, trees, flowers and streams.

Many Texans, old-timers as well as recent emigrants, will be astonished to find the globe-trotting Justice so lyrical about their landscape, or parts of it. He says he spent parts of six years doing his field research. Crusading as he is against the "Ahabs" who recklessly and thoughtlessly destroy nature for greed and power, he is nonetheless practical-minded enough to give much detail about how to do the rugged things he has done (for instance, raft trips down Santa Elena, Mariscal and Boquillas Canyons). He is a man of iron constitution but his book is a fine guide even for more timid campers-out.

He generously acknowledges indispensable help from many experts: Lance Rosier ("who walks the woods with the wonder and humility of St. Francis"), Dr. Donovan Correll, J. C. Hunter Jr., Noel Kincaid, Don McIvor, and many others, including The News' Frank Tolbert from whose articles quoted pages here are among the liveliest and best in the book.

"Farewell to Texas" is very handsomely illustrated; the artist who did the drawings is curiously uncredited.

OBSERVATIONS ON A TRIP TO VIETNAM

Mr. BYRD of Virginia. Mr. President, on June 29, 1967, Mr. Arthur W. Arundel, publisher of the Loudoun Times-Mirror of Leesburg, Va., reported his observations after a month-long trip to Vietnam.

This was Mr. Arundel's second trip to Vietnam. He spent a year in Vietnam in 1954 and was one of the last three Americans out of Hanoi after the battle of Dien Bien Phu.

I ask unanimous consent that Mr. Arundel's penetrating article be printed in the RECORD.

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

ARUNDEL SEES JUST ONE WAY TO WRAP UP VIETNAM WAR

It is an easy temptation to the journalist to draw simplified conclusions on such hugely complicated problems as the Vietnam War. Upon return from another trip through this wartorn land, I find it is still not so simple at all.

It is easy to find, as one roams Vietnam today, things that are wrong. It is quite a different matter at the end to try to put yourself into the heavy chair of decision making, given things as they are, not as we wish they were, and state yourself in practical terms on what you would do exactly to end the Vietnam War with honor to our commitment. So at the risk of generalization, which for the journalist is at least preferable to saying nothing, I will try.

CAN WE WIN IT?

There are before us now two questions—Why can't we win a lightning full military victory, such as that on the Sinai Desert? Or if that is not possible, how then can we get Ho Chi Minh to the conference table?

The answer to both lie in today's measure there of hard, sobering facts—of Vietnam's roadless jungle, marshes and mountains; of the enemy's 30-years' proven will to fight the Japanese, the French and now the Americans; of his also now proven capacity to increase his troops and firepower in direct proportion to our increases; of Oriental patience and disregard for human life; of proven Soviet determination to provide arms to keep the U.S. tied down in Vietnam or force us to quit; and of Ho Chi Minh's sworn pledge, if hit hard enough, to return to the jungle and keep fighting.

These essential characteristics from the long road of experience indicate in chilling truth that whatever we do, whatever crushing muscle we apply against North Vietnam there will never be a surrender table; and that whatever wisdom or pressure we level against Ho Chi Minh, there will never be a conference table to end this war.

Let's face it, our perseverance is founded in blindness by continuing to dream such dreams. This is not an American Civil War, nor a Korean nor does it possess the open field fighting characteristics of the Sinai Peninsula. We have hit the enemy in Vietnam now with more firepower than we used in all of World War II in Europe. But the effect is something like using aerosol spray cans in a swamp to kill mosquitoes. We have assembled the most formidable fighting force in the world, but it has not been equal to half naked natives, and our wisdom has been unequal to bridging the huge gulf separating the cultures of East and West. It is enough to break your heart if you care about the Vietnamese, and we do, and we want to succeed.

OUT OF THE WILDERNESS

Meanwhile, Americans are dying for it and so what road now do we take out of the wilderness?

Many things are being considered by top defense and civilian leaders. But within the crucial framework of timing, the opportunity I think exists this year in South Vietnam for what is patently the most important and promising change in our direction of all—in short, gradual sector by sector transfer of total military and civic action responsibility to self-determination by the South Vietnamese.

Vietnam has now adopted its own constitution, elected local government officials, and will in September elect its first president. But at this time, it is not the Vietnamese who are running Vietnam; it is the American who is in effective command of Vietnam's decision-making process. On paper it does not work this way, in the broad map briefings of visiting congressmen it does not work this way, and no one wants it to work this way, but in practice to get the job done we have now abrogated Vietnamese responsibility.

A beginning this September to a final phase in Vietnam could come with Ambassador Bunker and the new Vietnamese president agreeing upon transfer of full military and civic action responsibility in each of Vietnam's four corps' provincial areas, one at a time, to the best available Vietnamese combat and civilian units. Simultaneously American military and civilian people should be withdrawn from each corps in turn—leaving

only such American technical people with the Vietnamese as are necessary for tactical air support, supply and so on.

GIVE VIETNAMESE A CHANCE

Many of our top people doubt that the Vietnamese are ready or able now to handle such a responsibility. This doubt, however, is itself based on an American yardstick.

It is necessary here to ask ourselves honestly—can we build a nation by Americans, of Americans and for the Vietnamese people? The answer is obvious, but I fear we are refusing to face its meaning.

On our present course in Vietnam we are developing in the sheer hugeness of our commitment a paternalism which says though we have been 14 years on the job, that the Vietnamese still cannot stand up without us. And thus, as surely as each dusk now falls across the rice marshes of South Vietnam, we do more and the Vietnamese do less. It is not our fault, nor theirs. But no farm boy ever grew to manhood who was not given the chance to take the horses out to plow alone.

And even though we may be willing to persevere with lives and dollars for another 10 or 15 years, time works not for our side but for the Vietcong. Our combat sweeps of Vietcong areas are like sweeping water with a broom—the water comes rushing right back as soon as the broom is removed. We use money, machines and Western compassion by day—the Vietcong terrorize and behead those who collaborate with us by night.

OUR GAP WITH ORIENT

This is the understood Oriental way. A Korean Army company I met had one of its men horribly mutilated by the Vietcong. Angry, they captured two V.C. men—one man they hung up by his heels and skinned alive, as his buddy watched. His buddy was then set free to go back into the jungle to tell his friends. The Korean unit could not make contact with the Vietcong for a month afterwards. Oriental civic responsibility? Another Korean, convicted of raping a Vietnamese woman, was shot dead at the inquiry by his own commanding officer. This cultural gap of thousands of years is not going to be bridged by one or a hundred years of well-meant American intentions in Vietnam.

I think Uncle Ho underestimates our determination and maturity, and the success of our village security and revolutionary development efforts. But these things will not lead to the negotiating table, and sooner or later the tides of world problems are going to force us, against all of our determination in Vietnam, to shift our strength somewhere else. It could have started at the Gulf of Aqaba—and even as we spend our strength half way around the world, reports sift in that 20,000 tons of new Russian arms have recently been delivered to Cuba for military operations closer to home.

Like the old Statue of Liberty play, the Soviets are trapping us into a grinding long term involvement on the mainland of Asia. This is the sort of historic mistake from which nations never fully recover—the kind Napoleon made when he entered Russia, that Hitler made when he attempted the same thing—the kind the Athenians made when they went to war against Syracuse. Regardless of motives and pride, there are in the strategy of conflict some wars which must be avoided because they are fatal. We cannot avoid this end by leaning on hamlet development while this enemy can launch main force military operations over the roadless mountains and jungle trails from North Vietnam.

HOT DOGS AND PANJI STICKS

We cannot persevere and win in our present course because, out of the vast gulf between our linguistics and culture, a people of Christianity, hot dogs and computers can simply not effectively communicate with a land of Buddhism, rice bowls and panji sticks. We tell ourselves we can, but to do it we are building awesome Little Americas all over South Vietnam, complete with air conditioning, swimming pools and soon, I learned, with bowling alleys. Those few Americans who stay long enough in Vietnam to gain understanding of the complex essential political base of the land, brilliant men such as General Edward Lansdale, their lives are an endless succession of efforts to teach the book in rice bowls and panji sticks to constantly changing American leaders in the country.

For all of these reasons, the shift of total responsibility to the Vietnamese must be compressed roughly into a three-year time span of this current team of experienced Americans. This course we should take in Vietnam, regardless of our fear of the risks. If the time is not right now, it never will be. With it we can probably wrap up our combat job in Vietnam safely within three years.

If we lose in Vietnam, and on our present course we will, it will be because we failed at the end, in our paternalism and haste to get the job done our way and to have faith in the South Vietnamese to assume the burden of responsibility for their own destiny.

CAPTIVE NATIONS WEEK

Mr. DOMINICK. Mr. President, during the week of July 16–22 we are once again commemorating the enslavement of peoples in Europe and Asia under the yoke of communism.

The heart of our efforts against the worldwide threat of communism is, of necessity, concentrated in South Vietnam. But it can never be stressed enough that this is not the only front; and winning our objectives in Vietnam is imperative to our ultimate aim of supporting the right of every nation to their choice of government.

In the heat of our battle against further aggression we tend to forget the suffering of nations already engulfed by communism. Untold thousands have suffered coercion, persecution, and deportation from their homelands in Soviet denial of their inherent rights.

Within their own world the Communists have notoriously coerced smaller nations into their fold. Twenty-seven years ago, the Soviet Union annexed Lithuania, Latvia, and Estonia—formerly free states—by force of arms. Since 1940 the Baltic States have lost over one-fourth of their population through executions and exile to slave labor camps. Twenty percent of the present population is Soviet, not Baltic, so the U.S.S.R. can be assured of at least a token amount of support for their occupation. From those fortunate enough to escape from the horrors of Soviet occupation, there are now citizens of our own country who recall the fear. Such accounts are not merely tools of free-world propaganda, but agonizing and tragic memories of inhuman atrocities committed against innocent men, women, and children as well as anyone who dared oppose the bondage of communism imposed by the Soviet Union.

Another tragic example is the Ukraine, granted independence by Lenin in 1918 only to be overrun ruthlessly by the Bolsheviks a short 2 years later. The 50th anniversary of the Bolshevik Revolution will be celebrated this fall with great fanfare and the inevitable propaganda against the "Western imperialists." Consistently ignored by the Soviets is the self-determined independence of almost all former colonies, who are now struggling under continuous harassment from Communist subversion.

The captive nations of Eastern Europe are now sealed off from the rest of the world. They are told of greed and corruption in the free world. They are told communism will bring a better standard of living for all. And they know if they voice opposition, they too will face execution or exile to Siberia. The threats and false promises are a necessary substance of communism, because these are people who would cherish freedom. Just as new nations in other parts of the world have no desire to be ruled from without, neither do these countries wish to be ruled from Moscow, nor should they be.

The nations annexed by the Soviet Union were but the beginning of the increasingly long list of captive nations. Asia became the prime target with the subjugation of mainland China, now a major threat of itself. Those who may have been consoled by political turmoil within Red China and her enmity with Russia must certainly admit to the continuing intentions of Peking to instigate uprisings outside China, such as the abortive coup 2 years ago in Indonesia. A report issued from Peking only last week confirmed support of that uprising, and Indonesian Communist leaders taking refuge in Red China reaffirmed their intentions to regroup forces for continued guerrilla assaults in Indonesia.

Even the more stable nations in that area are not free from the pressures. Laos and Thailand are harassed by Communist guerrillas; Cambodia is used as a sanctuary by Vietcong; even the 12-year-old truce between North and South Korea can hardly be considered stable. The Communist elements are just as persistent as ever in their efforts to force more of the world into captivity.

Their persistence is equally ominous in this hemisphere, with the primary base of operations only 90 miles from our own shores. As I pointed out in detail in this Chamber in April, guerrillas trained in Cuba by Soviet personnel are infiltrating weak spots in South America and are dedicated to bringing those countries under Communist control.

The picture throughout the world is at best hazardous, but it is most grim for those countries first engulfed by communism. Having already endured an inhuman amount of suffering, they now have little or no chance of breaking free from the overwhelming power of Russia and Red China. But there is no reason to believe they are not equally desirous of liberty, and as peoples with their separate heritages they have every right to freedom.

A basic concept in our foreign policy traditionally is recognition of the right to free and independent choice of government structure. The lives being lost and the valiant efforts of our men in Vietnam would be difficult, indeed, to justify if we did not apply this belief equally to nations already suffering the captivity of communism.

In accordance with this belief, it is appropriate that we now reaffirm our sympathy and support for the captive nations and our desire to rectify the unjustice forced upon them. It is a fitting time to reassess our foreign policies and direct all possible efforts toward furtherance of this goal. Our most effective bargaining force at present is economic influence; and in future consideration of any East-West trade expansion, I hope the potential will be fully exposed in endeavoring to bring freedom to the captive nations.

THE ANTIRIOT BILL

Mr. THURMOND. Mr. President, in view of the grave conditions in our cities, as evidenced most recently by the riots in New Jersey, it seems appropriate to invite the attention of Congress and the Nation to the need for the quick approval of a strong antiriot bill designed to punish agitators who cross State lines with intent to instigate or participate in a riot or other acts of civil disobedience.

The fact that these riots usually run for a period of several days leaves little doubt they are supported by a sizable portion of the community in which they occur. Certainly the criminal element takes advantage of the strife, but they alone could not sustain the disorder in a community hostile to their purposes or without substantial support of many residents of that community.

Neither this bill, nor any other bill, will put an end to these dastardly acts by irresponsible and immature citizens but it should serve as a tool in that direction.

In this country we are faced by an armed insurrection supported by a racial minority. Destruction of property which has taken many years of sweat and sacrifice to establish, and acts of murder, will not cease until leaders of this minority start acting like they know what to do with responsibility once it is given them.

An incisive editorial column on the antiriot bill was written recently by Frank van der Linden, the esteemed news columnist and author, under the title of "Dateline Washington," and appeared in the July 2, 1967, issue of the News and Courier newspaper at Charleston, S.C.

Mr. President, I ask unanimous consent the column be printed in the RECORD.

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

THE ANTIRIOT BILL

(By Frank van der Linden)

WASHINGTON.—A strong federal anti-riot bill, to jail and fine agitators who cross state lines to stir up violence, is all set to breeze through the House about mid-July.

It will be Congress' response to a nationwide wave of public anger over the racial violence which has erupted in looting, burning, shooting, and even deaths in cities ranging from Boston and Buffalo to Cincinnati, Dayton, Tampa, and Atlanta.

Some members predict that not more than a couple of dozen Congressmen will dare to vote against the bill which is aimed at firebrands like Stokely Carmichael, the noisy "Black Power" advocate whose speeches in many cities have been followed by riots.

MAXIMUM PENALTY

The bill would impose a maximum penalty of five years in jail or a $10,000 fine, or both, upon persons convicted of traveling across state lines or using such interstate facilities as the mail and telephone systems, with intent to incite a riot.

Depite public demands that Congress "do something" about riots, bills to this effect were gathering dust all this year in the House Judiciary Committee because they were opposed by Chairman Emanuel Celler, D-NY, and by the Johnson administration.

Celler's committee finally acted a few days ago, only after being prodded by House Rules Committee Chairman William Colmer, veteran Mississippi Democrat.

Colmer told Celler, in so many words, "If you don't bring out this anti-riot bill, I will."

The Mississippian had the power to hold hearings on his own and push the bill to the floor. On the very day his hearings were to start, the Judiciary Commitee popped out the bill.

"Manny Celler saw the handwriting on the wall," Republican Congressman Albert W. Watson of South Carolina said.

RIDER TO BILL

Earlier, the foxy "Manny" had a subcommittee tack onto the very popular antiriot bill a civil rights "rider" very much desired by the Johnson administration and Negro lobby groups. That would impose stiff penalties upon persons convicted of forcibly interfering with Negroes exercising their rights—such as voting, attending school, applying for jobs, federal jury service, using desegregated public facilities and the like.

Opponents contended the Celler "rider" would make federal offenses out of a lot of ordinarily local crimes. For instance, a white man accused of striking one of Dr. Martin Luther King's demonstrators in a fist fight could be jailed for up to ten years "if injury resulted," under terms of this bill.

If death resulted from the incident, the maximum penalty would rise to life imprisonment.

Colmer complained that Celler was trying to make Southerners swallow a civil rights bill as the price of the anti-riot measure and vowed that "Manny" wouldn't get away with it.

Under Colmer's pressure, Celler reluctantly split the two bills apart and reported them separately. He said House Majority Leader Carl Albert, D-Okla., had an agreement to move the civil rights bill through the Rules Committee and onto the floor soon after approval of the riot control measure.

Any attempt to tie them together again on the floor will run into a fierce fight.

The civil rights measure could be blocked by a Senate filibuster like the one which killed the Johnson administration's 1966 civil rights omnibus bill.

Sponsored by Florida Republican William Cramer, the anti-riot measure was tacked onto that legislation in the House by a 389 to 25 majority.

All six of the South Carolina House members strongly favor the anti-riot bill.

Greenville Democrat Robert Ashmore played a role in the Judiciary Committee, in having the measure approved without the civil rights "rider" proposed by Celler.

PASSAGE EXPECTED

"I expect the anti-riot bill to be passed by the House without amendment," Ashmore said. He expressed the hope that it would curb Stokely Carmichael who, in Ashmore's words, "goes around stirring up riots and leaves a trail behind like a skunk."

Charleston Democrat L. Mendel Rivers said "We can thank Colmer for forcing Celler to report the anti-riot bill. He just told Celler how 'the horse ate the cabbage,'—in other words, that he was not going to let Celler befuddle the clear-cut riot issue and embarrass the Southerners with a civil rights 'rider.' He put the monkey on Manny's back and Manny responded."

Rivers said he was also glad to see that "President Johnson finally woke up" and denounced flag-burners and anti-Vietnam agitators in a recent Baltimore speech.

DEATH OF SAM STERN, FARGO, N. DAK.

Mr. BURDICK. Mr. President, the July 1967 issue of the Elks magazine contains an editorial which pays tribute to some of the contributions which Sam Stern, of Fargo, N. Dak., left. Mr. Stern died recently, but his work particularly on behalf of handicapped people will be remembered. He will also have a firm place in the memory of the Elks, through his work at local, State, and National levels. I wish to share with Senators the tribute paid to Sam Stern, and ask unanimous consent that it be printed in the RECORD.

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

PAST GRAND EXALTED RULER SAM STERN

Sam Stern, who was Grand Exalted Ruler in 1952–1953, died May 20, 1967, in the Kahler Hotel, Rochester, Minn., at the age of 79.

The Fargo, N.D., banker and merchant had been a member of the Board of Trustees of the Elks National Foundation since 1953. He was known for his work on behalf of the physically handicapped.

He was born Feb. 11, 1888, in Fargo. In 1909, he received a bachelor of laws degree from the University of Minnesota; he practiced law only a short period before entering business with his father. At the time of his death, he was president of the Alexander Stern & Co. department store in Fargo and a director of the Dakota National Bank of Fargo.

A 1910 initiate of Fargo Lodge, Brother Stern was elected Exalted Ruler 14 years later and served as Chairman of the lodge Trustees for a number of years. He was chosen President of the North Dakota Elks Assn. in 1927 and appointed District Deputy Grand Exalted Ruler for North Dakota the next year. He served two additional terms as State President, from 1941 through 1943.

He was a founder of the North Dakota State Elks Crippled Children's Committee and served as its chairman for a number of years.

When the North Dakota State Crippled Children's Commission was organized in 1941, Brother Stern was appointed its chairman by the governor. He held the post under two successive governors. He also helped organize Camp Grassick, a summer camp owned by the North Dakota Elks Assn. and offering physical and speech therapy to youngsters, and served as state chairman for the then National Foundation for Infantile Paralysis.

Brother Stern had served on the Grand Lodge Good of the Order Committee, the State Associations Committee, and the Lodge Activities Committee before being elected to the Board of Grand Trustees in 1944. He served on the board through 1950–1951, when he was Chairman. He was elected Grand Exalted Ruler in 1952.

Among those who attended the services were G.E.R. Raymond C. Dodson, P.G.E.R.s George I. Hall, Lee A. Donaldson, and R. Leonard Bush, and Nelson E. W. Stuart, Executive Director of the Elks National Foundation. Interment was at Riverside Cemetary, Fargo.

Brother Stern is survived by his brother, Edward.

LONG-DISTANCE RUNNING RESTORES HEART VICTIM TO VIETNAM FLYING STATUS

Mr. PROXMIRE. Mr. President, one of the most impressive demonstrations of effective patriotism I have ever heard was achieved earlier this year by Capt. Arthur Yarrington.

Captain Yarrington was called on November 30, 1964, his 31st birthday, for a combat readiness examination. An electrocardiogram told the doctors that his coronary arteries had failed him. He was diagnosed as suffering from myocardial ischemia.

He was not only denied the opportunity he yearned for—to go to Vietnam as a fighter pilot; he was grounded and transfered to communications.

Captain Yarrington was so determined to serve his country in Vietnam that he underwent one of the most remarkable conditioning programs in medical history.

Captain Yarrington first began vigorous daily walks, gradually increasing the length and speed of his walking until he was walking 5 miles and doing it in 1 hour.

Yarrington was then examined and told that while his heart had recovered well, he had one chance in a million of ever winning a waiver that would qualify him to fly as a fighter pilot in Vietnam.

Captain Yarrington decided to make the best of that one-in-a-million chance.

So he ran. At first it was 3 minutes' running and 3 minutes' walking, plus body calisthenics and a low cholesterol diet. Then he lengthened his running to 15 miles daily. At first, that 15 miles took 2½ grueling hours. Then he gradually developed his capacity so that he worked his time down to 15 miles in an hour and 50 minutes.

Mr. President, as one who runs several miles every day, I can testify that the kind of routine Captain Yarrington developed never becomes easy or pleasant. It is tough, painful, exhausting work. Moreover, it is one thing to do this to improve one's health, vitality, or longevity.

But Captain Yarrington was doing it so that he could serve his country in what all of us recognize as one of the most dangerous jobs in the world. After 6 months of this running routine, Yarrington went back for another examination.

Maj. Kenneth Cooper, the space surgeon who examined him, is a brilliant expert on physical fitness. He declared after examining Yarrington that he not only had recovered fully and completely, but that he was actually in the best physical condition of anyone he had ever examined.

But the Air Force still rejected him.

Yet Yarrington kept at it. To demonstrate his fitness he ran 25½ miles in about 4 hours, and with another report from Dr. Cooper appealed his rejection. He was rejected again.

Then Dr. Cooper came up with a dramatic medical illustration of Yarrington's heart. He showed Yarrington's heart in an X-ray movie, proving that Yarrington's heart was sound, regular, and undamaged.

This angiogram was submitted with a third appeal. The appeal came back approved, and Captain Yarrington achieved his goal. He was approved for combat flying in Vietnam.

Mr. President, this amazing persistence, this determination not to give up, and to submit to the most grueling, painful regimen, day after day and month after month, during which this man ran more than 5,000 miles, is to me a marvelous demonstration of true patriotism.

What an example Captain Yarrington has given for other young Americans to serve in what has become the most vehemently questioned and controversial war in our history.

I ask unanimous consent that an article describing the Yarrington saga of running to flying status, published in the Air Force Times of April 16, 1967, be printed in the RECORD.

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

HEART VICTIM RUNS WAY BACK TO FLYING

HQ AFCS, SCOTT AFB, ILL.—Capt. Arthur Yarrington has run all the way back from a serious cardiac condition—an estimated 5000 miles.

A medical report issued in the late 1964 plucked him from a fighter plane cockpit and branded him "grounded." It came after he volunteered to fly in Vietnam.

Today Captain Yarrington is back on flying status. The cardiac indictment has been erased from his medical records. The fight back was a long, arduous one, almost entirely based on physiotherapy—in this case, running.

Captain Yarrington, in a medically supervised program, ran daily—up to 25 miles at a session. The conditioning hardened him and developed his heart to the point where flight surgeons could find nothing irregular. They said his physical fitness exceeded 99 percent of the Air Force male population.

He may be the first pilot restored to flying status after being classed as a cardiac case.

After the grounding order it was decided to retrain him in communications. He was sent to school for 43 weeks, then was assigned to Communications Service headquarters at Scott where he is serving as a requirements officer in the office of the DCS/Programs and Requirements.

His days as a communications officer now may be ending. His request for combat duty in Vietnam as a fighter pilot has been resubmitted.

On Nov. 30, 1964, his 31st birthday, Yarrington was called for a combat readiness medical examination. An electrocardiogram told the medics that his coronary arteries had failed him. They diagnosed it as myocardial ischemia.

Searching for aid, Yarrington heard of the work Maj. Kenneth H. Cooper, a space surgeon and a cardiologist, was doing with the astronauts at Lackland.

Doctor Cooper indicated interest but could not see Yarrington for four months. In the meantime, the doctor told Yarrington to "walk."

The grounded pilot began walking. At first it was a daily 20-minute brisk walk. After two weeks, it went to 30 minutes. In the four months he waited for the appointment with Dr. Cooper, Yarrington increased the pace until he covered five miles in an hour.

After exhaustive tests, Major Cooper told Yarrington his chances were "one in a million" to regain flying status, but that he strongly believed Yarrington was capable of complete rehabilitation. Dr. Cooper outlined a laborious running program for Yarrington.

"I was determined to rehabilitate or kill myself trying," Yarrington said.

So he ran. At first it was three minutes running and three minutes walking. He also went through daily body calisthenics and followed a low cholesterol diet. As his body responded to the increased physical activity, Yarrington gradually lengthened his daily runs to 15 miles. The 15 miles required 2½ hours but was gradually reduced to an hour and 50 minutes.

After six months, Yarrington returned to Dr. Cooper for examination. The space surgeon could find nothing wrong. The ex-pilot was in better condition than anyone he ever examined, Dr. Cooper said.

However, despite the doctor's rating, Yarrington's bid for flying status was rejected.

A dramatic physical demonstration was needed to illustrate vividly the recovery Yarrington realized.

At the suggestion of Dr. Cooper, Yarrington set his sights on competing in the grueling 26-mile Boston Marathon race. Unfortunately, an infected foot caused a halt of the program and the idea was dropped.

Yarrington raced against himself on a 1½-mile track. He completed 25½ miles in about four hours. This feat was documented by four Air Force officers and together with another favorable progress report by Dr. Cooper, served as the basis for the second appeal. It, too, was rejected.

Doctor Cooper then came up with an idea for an impressive medical illustration, an X-ray movie of Yarrington's heart under a variety of tests. The angiogram provided indisputable evidence that Yarrington's heart was sound, regular, and undamaged.

The angiogram was submitted with a third appeal which was strengthened with the suggestion that Yarrington submit to a special medical exam annually.

The appeal came back "waiver approved."

Yarrington now is flying a U-3A at Scott to retain that status until his orders come through for assignment to Vietnam as a fighter pilot.

"That's the job I was trained to do," the Captain comments confidently.

THE WORLD'S TROUBLE SPOTS—ADDRESS BY GERALD W. FRANK

Mr. HATFIELD. Mr. President, Mr. Gerald W. Frank, a consultant member of my staff, recently made a factfinding trip for me, at his own expense, to some of the world's "trouble spots." He gave an account of his globe-circling trip to the Salem, Oreg., Rotary Club on June 14.

Mr. Frank is an eminent business and community leader in Oregon and is currently president of the Salem Area Chamber of Commerce.

Because of the helpful insights and observations recorded by Mr. Frank in his report, I ask unanimous consent that his report be printed at this point in the RECORD.

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

REMARKS PRESENTED BY GERALD W. FRANK, PRESIDENT, SALEM AREA CHAMBER OF COMMERCE, BEFORE THE SALEM ROTARY CLUB, SALEM, OREG., JUNE 14, 1967

A very astute man, a member of the National Constituent Assembly in South Vietnam and a current candidate for Vice President of that country. Dr. Phan Quang Dan, told me in a visit with him in Saigon

several weeks ago that in his opinion his country today is "breathing with an American iron lung."

After my recent journey, I am of the opinion that "American iron lungs" may soon be needed in many other troubled spots around the globe.

I have just returned from around the world—not in eighty days, but in half that time—on an information-gathering mission for Senator Mark Hatfield. I visited some sixteen nations in Europe, the Middle East, and the Far East, where my mission was to talk with political, financial, military, and business leaders of those nations and with our own Foreign Service officers, as well as with Peace Corps personnel in four countries. It was the most instructive, the most stimulating, but the most sobering and frustrating, six weeks that I have ever experienced.

How do you describe forty thousand miles of travel, dozens of conferences and hours of discussions, and thousands of visual impressions in the short period that's allotted to me?

Yes, there were times for especially-interesting sidelights, such as the visit to the British Military Station right on the border between Hong Kong and Red China. It happened to be the last mule outfit in the British Army.

And there was the visit to the Blue Mosque in Turkey, and to see Old Cairo, and the visit inside the Pyramids, and a ride on a Russian airliner from Cyprus to Cairo. There was a chance to visit the famous Vienna Riding School, and also to hear the great Boys' Choir and the Viennese State Opera; a trip through the Galilee area, and through Jerusalem; and then there were the visits to the great market places and bazaars of Istanbul and Teheran and Cairo, where an old retailer just couldn't help but be interested in the way they conducted their business.

I want to make one point crystal clear. I am no foreign relations or political history or military science professional. One has a temptation to sound like an expert—someone with all the "right" answers—after an adventure and an assignment like this. It's impossible and unrealistic to think that in 48 or 72 hours you know it all, but I do think that you pick up certain impressions, and you do get an idea of the health and the problems and the future prospects of the country.

A doctor can tell a lot about your health just by looking at you and asking a few questions if you're not well, and I can remember, having been in the retail profession for a long time, that I felt I was able just to walk into a store and look around and smell a little bit, and I could tell a good deal about the kind of operation of that store. So can a traveler, if he keeps his eyes and ears open as he visits new places, sees new things, and talks to a variety of people.

United States industry has invested over 44 billion dollars in foreign operations, and the rate of increase yearly in direct investment abroad has outstripped the rate of increase in domestic investment for the past seven years.

In talking about world stability, it is important to remember the size of U.S. investments abroad and the problems created by American businesses and American personnel overseas, because this has a very profound effect upon our political and military decisions.

There are today, in my opinion, a multitude of serious—yes, *very* serious—simmering and exploding conflicts and problems around the globe—not just in the sixteen nations that I visited—and the repercussions from these troubled spots are felt throughout the entire world.

First, there was the military take-over in Greece—not too surprising, because the unrest in this country has been very apparent. The Greeks, as you know, have a history of being very unstable politically. The old story goes that if you have two Greeks together, you have three political parties.

Greece has been facing severe problems: An agricultural program employing 50% of the population, yet producing only 25% of the gross national product; a lack of a capital market; an antiquated educational system; an ineffective Civil Service program; and a large deficit in foreign trade.

Then the problems in Cyprus between the Greek Cypriots and the Turk Cypriots, with United Nations forces in full position there and the two groups cut off from intercourse between each other.

I visited with a Turk lawyer—an elected member of Parliament—who had not been able to take his seat, because for over three years he and his family had been confined to a twelve-block area in his zone.

Next there was the tense situation in the Middle East between the Arabs and the Israelis.

Then there are the difficulties in Pakistan and India over Kashmir.

And on into Hong Kong, where there was Communist-inspired rioting and a great deal of unrest, with curfews and police action.

Next stop—the shooting war in Vietnam.

And finally—the terrorist "Huk" activities in the Philippines.

To draw an analogy which is admittedly farfetched, but which does perhaps the best job of trying to describe the total impression, it seems to me that our country could be compared to a beautiful, wealthy movie star who has worked herself up to the very pinnacle of her stardom after many rough episodes and a great deal of time and effort.

Some people will say that she isn't really ready for stardom—that she's too young, too inexperienced, that she hasn't been schooled properly—and perhaps this is the way that some of our friends around the world look at us.

Going on a mission such as this, under the auspices of a person of the stature of Senator Hatfield, meant that doors were opened for me everywhere, from heads of state down, and I did have the opportunity, I feel, to get a well-rounded impression from these discussions.

One of the most stimulating individuals with whom I spent some time was Dr. Alfred Schaefer, who is the Chairman of the Board of the Union Bank of Switzerland—probably the most important financial figure in Europe.

He said to me that: "Perhaps today your country is not ready for leadership because of the lack of experience that your people have had in this area compared with what the British have been through. Still, be that as it may, you are thrust into this position of responsibility, and the rest of the world is looking towards your country for leadership."

His view, I think, was reflected by others, particularly those in Europe who have a broad picture of current problems.

Because of her position, this beautiful movie star is now besieged by all around her for attention and for gifts and for help, and I think this relates to our position today—that those in Europe feel that America is looking too much towards Asia, and is too involved in the Vietnamese situation and not paying enough attention to the needs in their area.

But the farther East you go, and the closer you get to Vietnam, the stronger is the feeling amongst those nations that theirs is the most important area of concern.

There is a good deal of feeling in some countries about our cutting various foreign aid programs. For example, in Iran, our Ambassador there was very critical of what he called our "instant withdrawal."

Here is a country where we have invested over one billion 500 million dollars in aid over the past few years. We have suddenly stopped aid here altogether. We have had many American specialists in this area—experts helping the Iranians with airport construction and traffic control, building roads and highways. These people are expensive to pay in comparison with their Iranian counterparts.

But the important point here is that in the void created by the withdrawal of our people, the Russians have stepped in and have provided these specialists. Then these men have of course recommended, in turn, Russian equipment and methods. The Iranians certainly would rather have our equipment and our personnel, but we have made it difficult and too expensive for them. We're charging 6% interest; the Russians are asking 2½%.

Where do you draw the line? The needs are great 'most everywhere.

This engaging and talented star can't be everywhere for personal appearances, of course. But it looks as if she might be asked to appear in many new spots. However, at present she is, of course, being pushed for appearances in one area—Vietnam.

Some people, like the Shah of Iran, feel that because of our involvement in Vietnam we may not be available for help in other areas such as his country, and this of course means that his military posture must be altered.

Today we're committed in Vietnam to nearly a half-million troops. We're dropping 3,000 tons of bombs a day. We are spending, depending on what kind of arithmetic you want to accept, 2½ to 5 billion dollars a month in Vietnam. It's costing us just about as much as World War II, and if the casualty rate continues as it is at the moment, by the end of this year, we will have over 100,000 Americans killed and wounded.

I don't come back with any magic suggestions or any new theories of what we can do to try to settle the Vietnam situation. As a matter of fact, in talking with dozens and dozens of individuals throughout this country and throughout the world, none of them have any answers either, but there is one thing that is certain: We do have a superb fighting force in Vietnam. Our G.I.'s and their officers are the very best—the cream of the crop. They're doing everything they can, under the most difficult conditions.

Something must be done, some tools must be used, some program must be put forth, to allow us to reach an honorable solution to this conflict. In your own family, if you had an argument, you would try to settle it by discussions across the breakfast table; in your own business, if you had labor problems, you would try to settle them by talking across the table.

It seems to me that the same thing must be tried in Vietnam. Some way, somehow, we must bring all elements who are at war in this area together, across the table, just to begin shirtsleeve discussions, perhaps on the smallest items, that then could develop into a full-scale peace conference.

As one very keen man observed: "Perhaps you Americans are like a surgeon; it was necessary for you to come in and cut out the sore and get rid of the major infection, but now that it is out, it is up to the individual to build up the antibodies of recovery and renewal of energy." He likened this to Vietnam, where the South Vietnamese themselves must be more involved and provide more of the strength and the material to build up their own defense against their enemy.

This is a difficult war for us, because it is being fought with guerrilla tactics, and we are not trained for that kind of operation. We are fighting in and trying to control the cities, where roads, hospitals, schools, and other services are needed. Our adversaries are in the country and in the brush, where we are having a most difficult time trying

to flush them out. Many feel that the more we bomb, the more we scatter them.

It is discouraging to find such a divergence of opinion, throughout the world and even here at home, on what our national interests are in Vietnam.

At the conclusion of my trip I was invited by the Navy Department to attend the Naval War College Global Strategy Conference in Newport, Rhode Island. I spent three days there in company with 45 of our highest-ranking military officers and a group of civilians and senior reserve officers, and we discussed and threw around this very same problem. Even they could not answer the question concerning our national interests in Vietnam, and how we are going to win or conclude this tragic involvement.

This is not the only problem area facing us.

Today our country has formal commitments to defend at least 43 specific nations in what appears to be a highly-unstable world. Even the very highest officials of our country are unable to say exactly how many nations are covered by all the various American commitments. Some of these commitments grow from regional treaties and alliances, and some are bilateral defense agreements with another nation.

This wealthy and prominent star has to make sure that others understand her. This is not so easily done.

In the Philippines I had a discussion with General Carlos Romulo, who today is President of the Philippine University and Director of Education for that country—and one of the great Generals of all time.

He made the very strong point that some of the world leaders do not understand us, that Khrushchev did, but Mao and Nasser do not. Perhaps these people, then, are making decisions and performing acts without fully understanding what the repercussions might be in our country.

And this prominent star has to be careful now about what she says, and what she does, and to whom she makes certain statements, because of the likelihood of misunderstanding.

For example, in the Pakistan-India situation we recently announced a program where we will make available replacement parts for non-lethal military gear. These parts are available to both Pakistan and to India, but the important thing to remember is that the Pakistan war machine today is practically all American-equipped, and the India war machine is equipped mostly with hardware from the East.

There is great feeling today that we are discriminating against India in favor of Pakistan because of our pronouncement that these replacement parts are available.

Those who I talked with in Egypt who are close to the government say that Nasser has absolutely no opposition in his country; that his CIA, or FBI, or Secret Service, or whatever you want to call it, is probably the most potent and the most powerful in all the world. They know exactly where you are and who you're talking to, and anyone who is seen talking with an American is questioned afterwards as to just what the conversation was about.

In any case, Nasser doesn't understand the American system. He reads the American papers and magazines very carefully. If he sees one word that is uttered by one of our people that is unfriendly toward him, he then feels that this is the attitude of the entire nation.

Our star has to understand that not everyone really wants to see her stay on top, and not everyone understands what her motivations are; they don't comprehend what her problems are.

The man in the street in Europe does not understand why this great nation, the most powerful military and economic force in all the world, is taking so long to win a war with a third-rate country in a guerilla territory. In the Communist countries that I visited (Hungary, Czechoslovakia, and Yugoslavia), they don't understand our methods of procedures.

For example, the Time-Life people took a group of business leaders, including Keith Funston, the head of the New York Stock Exchange, and Henry Ford, and others of that caliber, on a tour through the Iron Curtain countries, and they were so impressed in those areas with the need for American help and American expertise that they announced in Czechoslovakia that they would offer some jobs to citizens of that country, to work in our factories and plants in America. This received great publicity in the Czech press.

Then when these leaders came back home, these offers were withdrawn because of pressure from the workers in their own factories.

Well, this is hard to explain, and has been very embarrassing for our people in Czechoslovakia.

It's very obvious that this great star must spend time and money to help others—those who want and need American know-how. And I come back thoroughly convinced that there are some tools available—small tools, indeed, but still we are seeing a start.

One tool that I strongly support is the Peace Corps. I had the opportunity to visit with personnel of our Peace Corps in Turkey, in Iran, in India, and in the Philippines. Individuals were brought in from the field, and we spent hours discussing the program, what they were doing, and how they felt they were contributing in helping the people of those countries improve their lot.

The one basic problem is a stomach problem, because hungry people today are those who are most susceptible to Communism.

I don't think that there are hundreds of thousands or millions of individuals who want to live under the Communist philosophy, but they are accepting it today because they have no alternative; they have no alternative to feed an empty stomach. The danger today is not in the masses of individuals with Communist leanings, but in a few unscrupulous and militant leaders who are preying on those who are hungry and who are susceptible to any kind of leadership that provides them with something to eat.

The Peace Corps today has over 12,000 men and women—the cream of young America—involved in some 52 countries. They are teaching new methods for making land produce more, showing how to use new equipment, training teachers. I think that we in Oregon should be very proud of our contribution, for per capita, we have the second highest number of volunteers in the Nation.

I was impressed with the leadership of the Peace Corps movement—top people, who we'd be proud to have in any of our businesses.

I would like to see the expansion of this program, along with such other activities as the International Executive Service Corps. These are men who have occupied important positions in their firms and are now retired, and who are working to set up new flour mills, to organize airlines, to show how to harvest forests, in underdeveloped countries. This is the kind of program where we are truly getting our message across on a people-to-people—yes, an eyeball-to-eyeball—basis.

You add to this—the International Executive Service Corps and the Peace Corps—Student Exchanges (working both ways), and I think that you have the beginnings of the type of program that in the long term will be far more effective than the use of give-away funds or military hardware.

Our star must train and help others, showing them how they can help themselves. However, we can't begin to think that other nations are going to want to, or be able to, live the same way that we do.

The customs and traditions of some of these countries hardly seem compatible with the Twentieth Century.

For example, in India I ran across an ad in the Indian papers—a matrimonial ad, for in this country today, as you know, most of the marriages are still arranged. This ad read as follows: "A good charactered, homely, well-educated, well-cultured, high social-standing spinster, employed, holding a good position, owning own house and property, invites matrimonial correspondence from good-charactered, homely, high school-standing bachelor-widower, without encumbrances, aged 37 to 47; officers, engineers, businessmen preferred."

I think that of all the nations I visited perhaps the most vivid impression was the situation in India, where the poverty and the disease and the overcrowding is almost too staggering to comprehend.

I saw areas in Calcutta that are the most densely-populated in the world—with people living and dying in the streets: children lying on the sidewalks, half dead, diseased, and abandoned, with animals and manure and all of the filth and garbage around them. It is almost impossible to describe—something that you have to see first-hand to believe. I saw an area in Calcutta where over 500 people use one sanitary facility, if you want to call it a "facility." It was cleaned once a week, and the smell and the filth was just indescribable.

Well, some of our people recognize these problems, and they're trying to do something about helping these people solve them. A plan that our people have helped develop for Metropolitan Calcutta looks ahead some twenty years, when twelve to thirteen million people will be living in the 490-square-mile area of the present Calcutta Metropolitan district. This is almost double the present population. Jobs will have to be made available for over 3½ million workers in the next nine years.

Additional hospital beds for over 22 thousand patients must be provided. In the Calcutta area, the region which now comprises about 150 million people is expected to absorb over eight million more people by 1986.

Here is a real stomach problem; here are real food problems; and here is where our people have been and must continue to be of help.

In looking at the situation in India and in the Philippines, where there are today democratic forms of government, it is the impression of many that the danger is not so much from the left but from the right. The next few years are very crucial ones for both of these nations.

The problems in the Philippines are very deep, and one of the most serious ones is the fact that the young generation there has developed a very nationalistic feeling. This exerts itself in a dislike and distrust of Americans, particularly in the economic fiber of the country.

There is also a lack of national identity in the country, and this is compounded by the communications problem. There are some 87 different languages in use, and there are intense loyalties on the part of each language-speaking area. There is a lack of respect for law and order, and corruption and disillusionment are perpetuated at almost all levels of society. The Huks are terrorizing areas throughout the country.

There is a lack of community responsibility, and many Philippinos tend to think with humane concern only of those within their immediate circle. They are indifferent about the fate of the others. There are also serious health and sanitation problems, and serious educational needs, too. There is a lack of vocational orientation and training, and this is an area where our Peace Corps is doing great work.

In the agricultural field, the primary prob-

lem is food production—ways of increasing such production to meet the national needs. The rice farmer today does little more than grow enough rice to feed his immediate family and relatives, and the growing population explosion there accentuates the need to increase agricultural productivity. How much sense does it make for a country such as the Philippines to be importing their major food needs, which they presently have to do?

Well, then, the situation that our star faces is a very difficult one, and a very serious one, and the problems seem to be magnified daily.

The situation in the Middle East, between Israel and Egypt, is critical. During my time there I did a visit to the border areas, where there was great tension even at that period.

The basic problem there dwells around the 1,200,000 Arabs who used to live in Palestine and who now (with their families) are outside in the border areas. They look daily with envious eyes on their former home ground; they are militant and unhappy about their present plight.

The problem is magnified by Nasser, who feels that he must speak loudly to make sure that he continues to claim the leadership of the Arab world.

It is my feeling that here is a problem that's not going to be solved easily or quickly—a very deep conflict, because, in my opinion, the Arab world will not accept a Jewish state in its midst.

The problems in Cyprus are also very intense, and as I mentioned, the two armed camps there have no intercourse whatsoever. What they call a "dialogue" to try to settle their problems is going on far away in Athens, and in Istanbul.

I talked with Glafcos Clerides in Nicosia—he is the second man to Archbishop Mikarios. He felt that a personal type of confrontation must be initiated, with Greeks and Turks sitting down themselves to begin to resolve their own problems across the conference table right in Nicosia.

And then we have to look at the situation in Hong Kong, which is extremely tense. There were riots in the streets and curfews during the time I was there.

It's hard to understand why Peking wants to stir up trouble in Hong Kong—and certainly the riots there were Red Communist-inspired—because today Hong Kong serves as the eyes and ears of the East in the West. Also, Communist China is getting nearly 750 million dollars a year out of this area.

Hong Kong used to be a labor-intensive market, but recently it has become a capital-intensive market, as more and more funds have been poured into this area for new capital machinery. But now, because of the problems, it is felt that Hong Kong will not attract additional capital, and this is of great concern. Also, of course, a slackening of the tourist business is certain to take place.

So all of these problems together mean that we have a grave situation confronting us. I come back feeling not encouraged, but depressed. I'm afraid that the possibility of World War III is too close for comfort.

The thinking people around the world—people like Abba Iban, the Foreign Minister in Israel; Remé Georgé, the Senior United Nations Representative in Cyprus; and others—say the same thing: That you cannot bargain with the Communists; they don't understand what the word means.

But what we have to do, as I mentioned, is exert every bit of power that we can to bring all those involved in these struggles to personal confrontations. Hopefully, we can do this, but we have to make sure that we do not allow ourselves to fall prey to what the Communists obviously want.

They want to spread our forces; they want to dilute our military and our financial and our economic and our political strength in spots all over the globe. I don't feel that we, in the prominent position that we have, can allow ourselves to be so weakened.

There is a Chinese proverb that I heard on this trip that says: "One who steals a little is a thief. One who steals a little bit more is a robber. And one who steals a nation is a king."

I don't think that we want to see any more kingdoms established in our time.

We are living today in a world of bellies empty of food and hearts full of hate. Our job is to help fill the former with our material blessings and the latter with our spiritual blessings.

OUR AMBASSADOR TO AUSTRALIA, EDWARD CLARK, DISCUSSES AMERICAN INVESTMENT IN AUSTRALIA

Mr. YARBOROUGH. Mr. President, our Ambassador to Australia, Hon. Edward Clark, is a man who is delighting in interpreting and relating the ideas of the Americans and the Australians to each other. His affectionate feelings for the Australians and his insight in understanding the unique problems of his adopted country account for his notable and well-deserved reputation. Ambassador Clark has frequently suggested on his welcome visits home that the Australians and Americans would benefit mutually from closer economic and cultural ties. On June 13, 1967, he delivered an address before the San Augustine Lions Club, San Augustine, Tex., on this important subject of increased Australian-American cooperation. Surely we can benefit from Ambassador Clark's wisdom in advising enterprising American investors to look to Australian business opportunities.

Mr. President, I ask unanimous consent that the speech by Ambassador Clark be printed in the RECORD.

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

AMERICAN INVESTMENT IN AUSTRALIA

(An address by the Honorable Edward Clark, American Ambassador to Australia, before the San Augustine, Tex., Lions Club, June 13, 1967)

It is a pleasure and an honor for me to address you here today. I didn't expect to be back in the United States this soon for I left here only April 30 to return to my post in Australia after a period of consultation in Washington and a short leave in Texas.

I'm beginning to feel like an international commuter. With the jet plane service we have at our disposal today, this is quite possible. But also it brings out some human frailty. Jets can handle it alright, but they seem to travel at 600 miles an hour, and even faster than that, with no serious ill effect. But it has its wearing effects on the human system and I find it takes me three or four days to get myself readjusted and reoriented after these 12,000 mile trips to and from Australia.

I know that this physical effect of the speed of jet travel is coming in for a lot of discussion and study these days and I understand that a number of business enterprises prefer that their representatives not enter into important negotiations immediately after getting off the plane from an international flight. They prefer to have them take a day or so to get rested and to get adjusted before entering into important discussions.

I personally think this is a good thing, and in my own particular case, coming from Australia in the Southern Hemisphere, where the sun shines in the North and going "up North" in the Winter time is going "down South" in our country, I find that a period of adjustment is even more necessary.

It is always good to get home. It doesn't matter whether you have been away a short time or a long time, coming home is always a wonderful experience. Much as I love Australia and am attracted to it, and I refer to it now as my "second home,"—I must say that absence makes the heart grow fonder for this great country of ours and for the part that is dearest to me of all, the State of Texas.

I have fallen in love with Australia and the Australian people. I have enjoyed the warmest kind of hospitality of many Australian friends all over that great continent. They are movers, and doers and go-getters. They are our kind of people. And it is a phase of our relationship, Australian and American, a relationship which has a vital importance for the futures of both our countries, that I propose to discuss for a few moments with you today. My subject is "American Investment in Australia."

Australian country people, and indeed all Australians, from the big city bankers and industrialists to the man on the land,—the sheep station owner, the cow cocky, the cotton grower, the miner—all take a very hard-headed look at the flow of investment money coming into their country from the great financial capitals of the world, and especially from the United States. It is proper and fitting that they do so. On the whole they welcome us, but with reservations.

I believe you will agree with me that it makes sense that American investment in Australia should have some benefits for the investor. I am a lawyer and a businessman and profit is not a dirty word to me. Australia offers wonderful opportunities for enlightened, intelligent investment. By this I mean investment that not only benefits the investor but also benefits Australia and Australian enterprise and economy.

I personally am inclined to believe that American investment benefits Australians just as much, perhaps even a little more, than it does the American investor. Australia is the recipient of a number of by-products and side effects from this investment that will be long-lasting and extremely beneficial. I refer to American know-how, industrial and business management methods, technical developments, and above all, practical and applied research. These are "extras" which come with American investment and American co-partnership.

But let's go back and take a look at a few basic facts that may help us put the whole subject in its proper perspective. The most notable fact is the relative increase in North American investment in relation to other foreign investment in Australia. Incidentally, the figures include Canada along with the United States, but it is nearly all U.S. money, one way or another. In the first ten years following World War II, North American investment in Australia was only about 42% of British investment. During the past year, however, American investment has run slightly higher than British investment. This trend probably will develop further if Great Britain enters the Common Market, as she seems about to do.

Of course, the accumulated total of British investment is still far greater than American—United States and Canada together. In such important fields as banking, insurance, and urban real estate, there is much British investment and scarcely any American. American investors have entered other fields, mainly development of oil and gas resources, manufacturing, land reclamation and improvement, etc. Over-all since World War II, America has furnished about one-third of all foreign investment in Australia; Great Britain has supplied nearly 55%.

A question I am often asked is "what pro-

portion of Australian business is in some way controlled by American interests right now?" This is rather a complicated technical question, for American money, management, know-how, is involved all the way from mere consultation to majority control. However, in the latter case, there are very few examples to cite. But based on official Australian figures, about 8% of Australian business is in some way controlled by American interests. More precisely, it seems that Americans own about 8% of all Australian company assets. This is about one-third of the overall 24% of foreign ownership of Australian enterprise.

The Australian economy as a whole, however, has grown roughly in proportion to the growth of foreign investment. As foreign investment has increased the country's economy has grown, and today overseas interests control the same proportionate slice of a much bigger and much more attractive pie.

So, according to these figures, the dire predictions made in the mid 50's by some of the Cassandras, that foreign ownership would take over Australian company assets to a high degree, do not seem to have eventuated.

It is true that the absolute amount of foreign investment has substantially increased, and that the American share of this increase has grown in relation to that of other nations. But it is important to remember that over the last ten years, the total proportion of foreign ownership of Australian company assets has not increased, but has remained the same.

Now we know that American industry and investment capital does not go into a venture without careful study of the pros and cons; of the climate in which it will be expected to operate; of the possibility of obtaining a fair return for its money and know-how. In short, we know what we expect from a partnership of this nature. But what do the Australians get? What advantage do they receive?

First of all, the practical day-to-day management of almost all American-owned Australian company assets is very largely in the hands of Australian managers. Many of these company managers and directors visit the United States several times a year for study and consultation and to familiarize themselves with American methods. Also, there are financial advantages that work both ways. For example, if a million American dollars of equity investment is put to work in Australia, this million dollars will certainly influence the property and work of very many Australians. It is equally true, however, that the million American dollars become subject to the final control of the Australian Government. And in this last analysis it is Australia which controls American investment in Australia.

These Australian controls have been very lenient and understanding, and I believe will continue to be so. Nevertheless, Australian laws and the Australian Government have, in effect, the last word. But I believe that as long as American industry and enterprise maintains its present cooperative attitude, we will continue to receive the kind of fair and square and friendly treatment which we have experienced heretofore. We have had some painful experiences in many countries, but, to my knowledge, never in Australia, where the Government and the people are fairminded and above-board.

But as the earth turns and the seasons change, so does the climate of business—in our own country—and in Australia as well. In the last six years, the rate of return on American investment in Australia has fallen very sharply. In the 50's, it approached 16%.

This has now fallen to a more pedestrian 8% in the mid-60's. In passing, we should not miss the fact that most of the American profits in the 16% era were ploughed back into the Australian economy, into plant and into development, and were not taken out of the country.

It is interesting, then, to consider the reasons why the rate of return for American investors has fallen to approximately half of its former amount in the last five years. Part of the reason is that the Australian economy itself has become much more competitive. Stricter control of inflation by the Government has limited purely paper profits as measured in Australian currency, and indirectly has stimulated greater efficiency throughout the economy. Australian business as a whole, including the foreign sector, has had to pull its socks up a bit. The abandonment of import licensing has had the same effect, though increased tariffs may have cut the other way.

Perhaps the most important reason for the falling return on American investment, however, is the great increase in new American commitments. The new investors are not looking for a fast buck. They often expect no profit at all for the first few years. They are in Australia for the long pull, and in my opinion, this is an extremely enlightened and intelligent attitude.

Australia's experience has been quite typical of that of countries who started out as an agricultural society; quite similar, in fact, to our own experience in the United States. The Western movement in our own country is a typical example of a very ancient social process in agricultural societies—the movement of a growing population into empty land. It was a process that began in the western world with the revolution in agricultural techniques. An agricultural population, working the soil according to traditional methods, exhausted the resources of the land and migrated westward to new ground. The continent, and here I speak of Australia as well as the United States, offered an unprecedented wealth of natural resources that gave anyone sufficiently energetic and inventive an opportunity to work out his own future in the forests and the land.

So the early settlers in both Australia and the United States were pretty much of the same mind. They thought that if you logged over a forest and moved on leaving barren lands behind it didn't matter much. There was always a great deal more waiting to be exploited; always greater forests and more land stretching endlessly to the west. What did it matter if the soil of a farm was exhausted? There were more fertile soils for the pioneer to move on to.

But this great raid on natural resources has taught both of us a lesson. Conservation is a very serious matter to the Australians today, just as it is with us. And the man who comes in to contribute, to construct, to conserve, is a man who is welcome and appreciated.

So, when an important new factory is built largely by American capital, or as in the case of the motor vehicle, when a major industry develops dramatically, there is a whole range of benefits accruing to Australia. New job opportunities, new tax revenues, stimulation of supporting industries and services, a substantial increase, quite often, in export sales.

Of very special significance is the skill and know-how which American industry brings with it. It is no secret that our big companies in the United States are spending tremendous sums on research. The results of this research are transmitted to American subsidiaries and franchise holders in Australia. The United States also has developed a great pool of trained personnel. We have learned how to do a great many things rapidly and efficiently. Australians appreciate this and admire it and know that through the American parent company they will have access themselves to this kind of training and experience.

Furthermore, Australians appreciate that they can learn a great deal from Americans in the field of management and operation. It is worth noting that most American-owned enterprises in Australia endeavor to keep American personnel to a minimum. A most striking example of this is the Mt. Isa mines up in Queensland. This great copper, zinc, silver-lead mining enterprise got into serious difficulties in 1930. In fact, the American investors in Mt. Isa received no dividends for the first seventeen years—until 1947. Right now there is a 54% American interest in Mt. Isa. Yet not one single American is permanently employed at Mt. Isa. Everyone from the Managing Director on down is an Australian.

The mention of Mt. Isa reminds me of the great new discoveries of mineral resources which have developed all over Australia in the last few years; Bauxite in Queensland; oil and gas off the shores of Victoria and elsewhere, and above all, the immense iron reserves in the Hammersley area in Western Australia. Australia's economy has not yet reached the point where this great bonanza of natural resources can be developed solely by Australian capital. The iron-ore would still be underground and much of the oil undiscovered without foreign and, in this case, United States capital and enterprise.

A few months ago, I visited some large American properties in the Esperance area of Western Australia—way down on the Southwestern tip of the continent. The apparently desolate land in that area needs only trace elements for productive use. The basic scientific discoveries were made by the local Australian Agricultural Research Station. However, the capital needed to get things going in a large practical way was furnished by American investors. The first major American investor didn't have enough capital to stick it out and the first scheme of land development in the area collapsed. Now, however, splendid progress has been made by the Chase Manhattan Bank of New York, Mr. Art Linkletter, and associates, the King Ranch of Texas, and Mr. Benno C. Schmidt, Managing Partner, J. H. Whitney and Company of New York, and former distinguished Professor of Law at the University of Texas and Harvard University, along with a number of other major American investors.

The results of their experiments and their enterprise, not all uniformly successful by any means, have been made known to local Australian investors who would otherwise have had to learn the hard way and could not have afforded it. I remember the vivid view from the airplane. Large emerald green pastures ended on ruler straight boundary lines right up against grey, apparently sterile scrub land. The infusion of large United States investment has made a big difference in the Esperance area. Surely a good thing for Australia; surely a good thing for the United States.

The United States itself, when it was a young, poor, and insecure nation, was the beneficiary of enlightened foreign investment by a number of countries—England, Holland, Germany, France. Friendly and constructive foreign investment at strategic points can have immense impact on a growing economy even though the sums invested may be relatively small. We in the United States today, because of our wealth and enterprise have become a lender nation, ready to play the role of overseas investor on a large scale.

I personally am of the opinion that Australia, in almost every way you can think of, offers excellent opportunities and climate for American investment.

I have said that Australia is destined to be one of the richest continents in the world—and that time is not twenty-five years away, either. Mark my words. Remember the time and place. And if I'm wrong you can call me collect for a hand engraved, gilt edged, signed and sealed retraction, apology, or for personal satisfaction with the

weapon of your choice. The Australian Government's encouragement of American investment has produced splendid results for both Australians and Americans. Not only in the field of finance and industry, and tangible things, but in the field of improved personal relationships, friendly understanding; people-to-people; in the lives of men as well as the products of money and machines.

Australians are our friends, our partners, our allies. They can be relied on to give us a fair go.

SENATOR PROXMIRE'S TRUTH-IN-LENDING VICTORY

Mr. NELSON. Mr. President, the passage by the Senate of the truth-in-lending bill by the resounding unanimous vote of 92 to 0 represents not only a victory for the American credit consumer but a testament to the legislative skill and leadership of my distinguished colleague from Wisconsin, Senator WILLIAM PROXMIRE.

We in Wisconsin are justly proud of our senior Senator. For 10 years he has conscientiously served our State and National interests in this body, establishing a reputation as one of the Senate's most dedicated and hard-working Members. His perceptive and original thinking in the realm of economics has long been recognized and valued. As he has advanced into positions of leadership, culminating this session in his becoming chairman of the Joint Economic Committee, his voice and expertise have carried increasing weight in the formulation and evaluation of national economic policies. He, perhaps more than any Member of the Senate, has demonstrated the creative and independent role that the legislative branch can and must play in national decisionmaking.

The passage of the truth-in-lending bill by a unanimous vote, highly unusual for such a controversial measure which had failed to even reach the Senate floor during the previous 7 years of its legislative history, is thus a remarkable personal achievement. It reflects the Senate's high esteem for Senator PROXMIRE and his outstanding ability as a legislative craftsman.

On July 14, 1967, the Sheboygan, Wis., Press published an editorial supporting the truth-in-lending bill and commending Senator PROXMIRE for his able stewardship of this legislation. I ask unanimous consent that the editorial be printed in the RECORD.

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

A BIG ONE

Speaking of political accomplishments, the 92–0 vote for the truth in lending bill in the United States Senate is a big victory for Wisconsin Senator William Proxmire.

The bill has had a long and tortuous career over the past seven years. Pushed originally by the former Senator Paul Douglas of Illinois, it will require lenders and retail creditors to disclose the annual rate of interest on loans or installment purchases and the total number of dollars involved. If approved by the House of Representatives and signed into law, it will become effective July 1, 1969.

This is undoubtedly one of the difficult areas of legislation. Loan companies and retail installment buying have brought innumerable improvements to many people. Many students of the subject claim that they have tended to stabilize business at a somewhat higher level than might otherwise have been possible. This bill, as written and as approved by the Senate, in no way attempts to discourage any legitimate part of the loan or credit business. It does presume to make available to the possible purchaser or borrower complete information on the details of the transaction and the obligation he is about to assume. What the customer will do with that information is left up to the individual.

Admittedly, legislating in areas such as this is always controversial. How far government should go into the details of individual business relations is always the subject of much disagreement. Government cannot give people judgment nor can it successfully stamp out unwise desires or inept individual or family financial planning. This bill does not presume to do any of these things, but merely attempts to get all the pertinent cards on top of the table.

It should meet with fast approval in the House of Representatives. Senator Proxmire has given it fine leadership in the Senate where his voice on economic matters is being increasingly recognized. A unanimous vote on a measure of such substance is indeed unusual and, in that uncertain realm of political accomplishments, is a big one.

RETURNS FROM SALE OF FEDERAL TIMBER—II

Mr. MORSE. Mr. President, on July 13, 1967, I spoke to the Senate on the Forest Service and Bureau of Land Management's joint report to the Bureau of the Budget, "Review of Returns From Sales of Federal Timber." At that time, I inserted in the RECORD the first three parts of this report covering fundamental technical documentary information. Today, for the same reasons, I would like to insert in the RECORD parts IV and V. These parts cover an analysis of sale records and other price data and, very importantly, the summary and conclusions.

Mr. President, I ask unanimous consent that parts IV and V of the Joint Forest Service-Bureau of Land Management study, prepared for the Bureau of the Budget, "Review of Returns From Sale of Federal Timber," be printed at this point in the RECORD.

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

REVIEW OF RETURNS FROM SALE OF FEDERAL TIMBER

IV. OBJECTIVE EVIDENCE

A. Advertised sale records

1. Forest Service

A summary of the sales on the National Forests by regions is presented in Tables 6 and 7.

Summary Table 6 is based on Appendix Table 1–A and covers the sales in the six western regions. These sales are primarily sawtimber. The very small amount of timber sold as pulpwood has been converted to the equivalent of sawtimber and is not tabulated separately. This table shows that in general the sales in each region were quite similar in volume and other characteristics in the two fiscal years 1964 and 1965. The principal differences between years was the increase in bid ratios in fiscal year 1965 in Region 6 in contrast to a drop in bid ratios in fiscal year 1965 for Regions 1 and 5. The volume of timber sold dropped sharply in Region 2 in 1965. Regions 1, 5, and 6 have strong competition and Regions 2, 3, and 4 have minor competition. Advertised prices went up approximately $1.00 per thousand board feet in Regions 1, 5 and 6. The increase was less in Regions 2 and 3. In fiscal year 1965 average appraised price was lower than in fiscal year 1964 in Region 4.

SUMMARY TABLE 6.—*Western national forests—Comparisons by regions for advertised sales in fiscal years 1964 and 1965*

Area region	Year	Number of sales	Volume (thousand board feet)	Appraised price [1]	Bid price [1]	Bid ratio	Road cost, per thousand board feet
1	1964	289	1,255,042	4.81	$9.67	2.01	$3.11
1	1965	300	1,214,308	5.92	9.73	1.64	3.28
2	1964	50	448,436	2.74	2.95	1.08	.35
2	1965	52	264,792	3.55	3.63	1.02	.52
3	1964	39	439,191	4.28	4.41	1.03	.57
3	1965	46	546,649	4.50	5.37	1.20	.30
4	1964	78	403,931	4.09	4.38	1.07	3.15
4	1965	90	458,503	3.71	4.15	1.12	3.13
5	1964	245	2,203,930	7.73	13.13	1.70	4.43
5	1965	246	2,185,372	8.79	13.92	1.58	3.47
6	1964	1,116	4,559,424	14.43	21.51	1.49	5.82
6	1965	1,147	4,487,124	15.06	26.80	1.78	6.38
	Total:						
	1964	1,817	9,309,954	10.06	15.48	1.54	4.50
	1965	1,881	9,156,748	10.82	18.38	1.70	4.58

[1] Per thousand board feet.

Summary Table 7 is based on Appendix Tables 1–A and 1–E. It characterizes the National Forest timber business east of the Great Plains. The sawlog business for the three eastern Regions was stable for the fiscal years 1964 and 1965. Close to three-quarters of volume was cut in the southern states (Region 8). Most of this cut was pine. The sawtimber cut in Regions 7 and 9 is mostly hardwood. Average bid and appraised prices are relatively high in Region 7 due to the influence of high value cherry (more than $100 per M) on the Allegheny Forest. In Region 9, average stumpage price is depressed by aspen sawlogs. The relatively high bid ratios results from competitive interest in yellow birch. Road construction needs are substantial in the mountainous terrain of Region 7. They are relatively minor in Regions 8 and 9.

The products business east of the Great Plains is primarily in pulpwood. In Region 7, volume increased substantially in 1965. This is mostly hardwood pulp which commands a low price even though consumption is expanding.

In Region 8, most of the pulpwood is pine which commands a good price per cord.

In Region 9, most of the pulpwood is either aspen or jack pine which are relatively low-priced materials. Sales volumes increased in 1965. Pulpwood sales volume in Region 9 is subject to considerable fluctuation from year to year.

Summary Table 8 is based on Appendix Tables 1–B and 1–D. It compares timber sale activities on the 42 forests of the Pacific Coast and Inland Empire where demand for timber is in excess of available supply with

the Rocky Mountain Forest group. The latter consists of the National Forests in Regions 1 and 4 not included in the 42 forests, plus the forests of Regions 2 and 3. The sale volume in the Rocky Mountain group is only about 15 percent of the volume for the 42 Forest group. Appraised timber value for the Rocky Mountain group is less than one-third of the appraised value for the 42 Forest group. Bid indices are around 40 points less for the Rocky Mountain group. Road construction by timber purchasers is held to less than $1.00 a thousand, on the average, in the Rocky Mountain National Forest group. This is in contrast to an average of over $5.00 of road construction by purchasers in the 42 Forest group. This five-to-one ratio on purchaser road construction is indicative of the lack of economic value of the Rocky Mountain Forest. It is necessary to avoid the more difficult access problems or to provide for publicly financed road construction in order to sell timber in this area.

The timber sale characteristics for the 42 Forest group is remarkably stable between fiscal years 1964 and 1965. The one significant shift was an increase in competitive bidding which resulted in an increase of 16 points in bid index and approximately $3.00 per thousand in average bid price. However, as shown by Summary Table 1a, this increase is all due to activity in Region 6. The timber business in the Rocky Mountains during the two fiscal years was quite similar in all respects.

Summary Table 9 is based on Appendix Table 6–A. It shows volume and appraised and bids values for sales and offerings in the western Regions classified by no-bid, one-bid, and multi-bid sales. The volume of offerings with no-bid was relatively minor in both fiscal years. The highest proportion of no-bid sales was in Region 2 and Region 4. Total ratio of no-bid volume to consummated advertised sales was 2.8 percent in both fiscal years. There was variation between the no-bid ratio in the two fiscal years in several Regions.

The proportion of one-bid sales is high in the Rocky Mountain Region and low in the Pacific Coast Region and Region 1. The average proportion of one-bid sales in both fiscal years was virtually identical for all of the west. Again, there were fluctuations between years in individual Regions. These fluctuations correspond to similar fluctuations in average bid ratio of Regions. In Regions 1 and 5, both bid ratio and multi-bid sales proportion were down and one-bid sale proportion was up. Region 6 showed an opposite trend with proportion of one-bid sales slightly down and proportion of multi-bid sales and bid ratio substantially up. The bid ratios for multi-bid sales in the Rocky Mountain area where one-bid sales predominate are generally low. In Region 3, an unusual competitive bidding actively developed in fiscal year 1965. It does not appear probable that this indicates a permanent shift toward a higher degree of competitiveness in this Region.

For Regions 1, 5 and 6 where multi-bid sales are substantial, the average appraised value of single-bid sales was generally lower than for multi-bid sales. This indicates that single-bid sales were those which have less attractive operating or timber quality conditions.

SUMMARY TABLE 7.—*National forests east of the great plains—Comparisons by regions for advertised sales in fiscal years 1964 and 1965*

Area region	Year	Number of sales	Volume (thousand board feet)	Appraised price [1]	Bid price [1]	Bid ratio	Road cost, per thousand board feet
7	1964	130	102	$22.78	$30.70	1.35	$3.08
7	1965	153	109	24.20	31.53	1.30	3.91
8	1964	429	516	21.78	25.79	1.18	.73
8	1965	473	539	23.41	29.15	1.25	.90
9	1964	208	76	10.76	19.27	1.79	----------
9	1965	199	83	11.56	17.83	1.54	----------
	Total:						
	1964	767	694	20.72	25.80	1.25	.99
	1965	825	731	22.19	28.23	1.27	1.25
	OTHER PRODUCTS—CORDS						
7	1964	52	58	$1.70	$1.91	1.12	$0.30
7	1965	71	144	1.56	1.69	1.09	.44
8	1964	234	343	3.95	4.79	1.21	.21
8	1965	221	350	4.10	5.27	1.29	.14
9	1964	193	476	1.58	2.04	1.29	.01
9	1965	180	620	1.67	2.02	1.21	----------
	Total:						
	1964	479	877	2.53	3.12	1.23	.11
	1965	472	1,114	2.42	3.00	1.24	.10

[1] Per thousand board feet.

SUMMARY TABLE 8.—*Comparison of Rocky Mountain and 42 Pacific coast and inland empire forests—Forest Service advertised sales in fiscal years 1964 and 1965*

Area region	Year	Number of sales	Volume (thousand board feet)	Appraised price [1]	Bid price [1]	Bid ratio	Road costs, per thousand board feet
42 forests	1964	1,643	8,047	$11.11	$17.28	1.56	$5.06
Rocky Mountain forests	1964	169	1,245	3.37	4.05	1.20	.93
Do	1965	187	1,179	3.79	4.68	1.23	.86
42 forests	1965	1,690	7,946	11.88	20.46	1.72	5.15

[1] Per thousand board feet.

SUMMARY TABLE 9.—*Number of sales, volume, and bid and appraised rates for no-bid, single-bid, and multibid sales for sawlogs in the western regions—Advertised sales in fiscal years 1964 and 65*

Region	Fiscal year	No bid			Single bid				Multibid				Percent of annual volume sold	
		Number	Volume (million board feet)	Appraised value per thousand	Number	Volume (million board feet)	Appraised price [1]	Bid price [1]	Number	Volume (million board feet)	Appraised price [1]	Bid price [1]	No bid	1 bid
1	1964	17	37.5	$3.57	49	195.8	$3.61	$3.69	240	1,059.3	$5.03	$10.78	3.0	15.6
1	1965	21	72.8	5.07	81	327.9	4.91	4.99	219	886.4	6.29	11.49	6.0	27.0
2	1964	19	52.8	7.79	36	365.6	2.86	2.87	14	82.8	2.21	3.29	11.8	81.5
2	1965	15	30.3	5.30	42	192.7	3.38	3.42	10	72.1	4.00	4.19	11.4	72.8
3	1964	3	1.1	8.07	31	380.8	4.33	4.33	8	58.4	3.92	4.90	.3	86.7
3	1965	7	36.8	4.86	31	437.8	4.52	4.52	15	108.8	4.43	8.81	6.7	80.1
4	1964	17	49.3	4.00	47	245.0	3.99	4.00	31	159.0	4.24	4.95	12.2	60.6
4	1965	10	41.2	1.65	52	248.3	3.57	3.62	38	210.2	3.87	4.77	9.0	54.2
5	1964	12	61.4	5.59	59	354.4	6.11	6.21	186	1,849.5	8.04	14.46	2.8	16.1
5	1965	7	8.6	6.91	76	471.5	7.97	8.08	170	1,713.9	9.01	15.53	.4	21.6
6	1964	42	60.4	9.36	265	886.4	11.79	11.80	851	3,673.0	15.07	23.85	1.3	19.4
6	1965	34	63.4	9.57	199	721.2	12.39	12.42	948	3,765.9	15.56	29.55	1.4	16.1
	Total:													
	1964	110	262.5	6.32	487	2,428.0	7.00	7.03	1,330	6,882.0	11.14	18.47	2.8	26.1
	1965	94	253.1	5.70	481	2,399.4	7.43	7.48	1,400	6,757.3	12.02	22.25	2.8	26.2

[1] Per thousand board feet.

2. BLM

A summary of the sales in the BLM western states is presented in table 10 based on Appendix Table 2–A.

As can be seen in excess of 92 percent of the volume each year is sold in western Oregon. The competition among the public domain states is very similar with Idaho, California and Montana having a bid ratio near 1.30.

The main difference between years was an increase in bid price in 1965 over 1964. This was primarily due to a reduction of volume offered in western Oregon against a rising demand.

Summary table 11 is based on Appendix Table 7–A. It shows volume and appraised and bid value for sales and offerings in the western BLM states by no-bid, one-bid and multi-bid sales. The volume of offerings with no-bid was insignificant in both years. The volume of no-bid as a percent of the total volume offered was 0.8 and 1.8 percent for fiscal years 1964 and 1965 respectively.

The proportion of one-bid sales was generally highest for both years in the Rocky Mountain states. There were fluctuations between years in most states. The bid ratio was also generally lower for multi-bid sales in these same states.

The average appraised values for single-bid sales were generally lower than the appraised values for multi-bid sales in all states. These sales appear to be those with lower quality and higher costs and not as desirable as the multi-bid sales.

SUMMARY TABLE 10.—*All BLM advertised sales in Western States in fiscal years 1964 and 1965*

State	Year	Number of sales	Volume (million board feet)	Appraised price	Bid price	Bid ratio
California	1964	21	24.0	$18.14	$24.35	1.34
	1965	23	37.0	17.71	23.06	1.30
Colorado	1964	8	10.0	4.02	4.59	1.14
	1965	9	6.0	5.11	5.21	1.00
Idaho	1964	23	30.0	7.67	9 47	1.23
	1965	17	24.0	9.22	10.95	1.19
Montana	1964	9	11.0	8.86	12.80	1.45
	1965	12	18.0	8.05	10.71	1.33
New Mexico	1964	2	1.4	8.10	8.10	1.00
	1965	1	.4	10.05	10.05	1.00
Oregon	1964	595	1,483.0	20.51	26.58	1.30
	1965	451	1,188.0	21.13	34.50	1.63
Utah	1964	1	.2	4.98	(1)	
	1965	1	.7	5.42	6.19	1.14
Washington	1964					
	1965	1	.5	12.04	16.85	1.40
Wyoming	1964	4	1.6	3.83	3.90	1.02
	1965	2	.7	3.66	3.66	1.00
Total:						
1964		662	1,561.0	20.01	25.94	1.30
1965		517	1,276.0	20.52	33.20	1.62

(1) No bid.

SUMMARY TABLE 11.—*Number of sales, volume and bid and appraised rates for no-bid, single-bid, and multibid sales, Bureau of Land Management sales by States, fiscal years 1964 and 1965*

State	Fiscal year	No bid			Single bid				Multibid				Percent of annual volume sold	
		Number of sales	Volume, million board feet	Appraised value per thousand	Number of sales	Volume, million board feet	Appraised price [1]	Bid price [1]	Number of sales	Volume, million board feet	Appraised price	Bid price	No bid	1 bid
California	1964	2	0.1	$20.87	4	4.0	$17.96	$17.96	17	20.0	$18.18	$25.71	0.4	16
	1965	5	3.0	17.75	9	9.0	15.65	16.15	14	28.0	18.35	25.30	.07	22
Colorado	1964	2	1.6	6.30	7	9.0	3.87	4.43	1	.8	5.65	6.42	.12	78
	1965	2	.6	5.50	9	6.0	5.28	5.28					.09	90
Idaho	1964	4	5.0	6.03	11	12.0	6.35	7.47	12	17.0	8.64	10.94	.14	35
	1965	5	3.0	4.73	8	11.0	11.33	1.56	9	13.0	7.88	10.41	.11	40
Montana	1964	1	0.7	6.39	2	5.0	8.21	1.30	7	6.0	9.41	14.10	.01	42
	1965	0	0	0	4	6.0	6.73	8.82	8	12.0	8.71	12.22	.00	33
New Mexico	1964	0	0	0	2	1.0	8.10	8.10	0	0	0	0	.00	100
	1965	0	0	0	1	4.0	10.05	0.05	0	0	0	0	.00	100
Oregon	1964	8	2.0	12.39	225	581.0	19.37	9.39	370	902.0	21.25	31.20	.001	39
	1965	4	11.0	21.55	84	194.0	20.81	20.89	367	995.0	21.19	37.16	.01	16
Utah	1964	1	.1	4.98	0	0	0	0	0	0	0	0	100	
	1965	3	.5	6.77	0	0	0	0	1	.7	5.42	6.19	.41	
Washington	1964													
	1965	0	0	0	0	0	0	0	1	.5	12.04	16.85		
Wyoming	1964	2	2.0	5.10	4	1.0	3.83	3.86	0	0	0	0	.66	33
	1965	2	4.6	4.53	2	.7	3.66	3.66	0	0	0	0	.86	13
Total	1964	20	11.5	7.15	255	613.0	18.74	18.82	407	945.8	20.87	30.59	.8	39
	1965	21	22.7	14.63	117	230.7	19.15	19.30	400	1,049.2	20.79	36.19	1.8	17

[1] Per 1,000 board feet.

Forest Service-Bureau of Land Management Comparisons

Summary table 12 is based on Appendix Tables 1–C and 2–C. It compares sale volume prices and bid ratios for adjoining National Forest and Bureau of Land Management Districts in western Oregon. There are five Bureau of Land Management Districts and six National Forests in this area. The table has been arranged so that the National Forests and Bureau of Land Management Districts overlap and adjoin each other. Thus, the Willamette National Forest is in part adjacent to the Salem District on the line immediately above it and in part within or adjoining to the Eugene District on the line immediately below it. In addition to being adjacent to the Willamette Forest, the Eugene District is in part adjoining or overlapping the Siuslaw National Forest on the line immediately below it.

This table shows appraised bid values and bid ratios as reported by each Agency. No adjustment has been made for the difference in unit or measure between the two agencies. A separate summary table 13 will show appraised and bid values for these National Forests and BLM Districts adjusted to Bureau scale.

The volume sold by the Bureau of Land Management in 1965 was approximately 300 million, or close to 25 percent less than sold in 1964. This reduction in sales was most pronounced in the Eugene District. The volume sold on the National Forests increased by 167 million board feet, or approximately 8 percent in 1965 as compared to 1964. The National Forest sales had consistently higher bid ratios than BLM sales with the one exception of the Coos Bay, BLM District, in 1965. Both BLM and the Forest Service have approximately the same relationship of bid ratios between the two years tabulated. Thus, for all of western Oregon, BLM bid ratios increased by 37 points in 1965. For the Forest Service, the increase was 30 points. There is an approximate 30 point higher bid ratio for Forest Service sales than BLM sales in both years and in virtually all of the units reported as well as the averages for all of western Oregon.

SUMMARY TABLE 12.—*Comparisons of sale volume, prices, and bid ratios for adjoining national forests and Bureau of Land Management districts, western Oregon*

Area and agency	Fiscal year 1964					Fiscal year 1965				
	Number of sales	Volume (million board feet)	Appraised price (per thousand board feet)	Bid price (per thousand board feet)	Bid ratio	Number of sales	Volume (million board feet)	Appraised price (per thousand board feet)	Bid price (per thousand board feet)	Bid ratio
Mount Hood National Forest, Forest Service	91	330	$13.06	$26.58	2.04	98	386	$14.21	$35.72	2.51
Salem district, BLM	119	302	19.11	27.27	1.43	105	273	19.89	36.20	1.82
Willamette National Forest, Forest Service	137	663	17.78	31.39	1.77	149	651	17.41	39.60	2.27
Eugene district, BLM	172	320	21.76	32.44	1.50	119	159	24.63	48.03	1.95
Siuslaw National Forest, Forest Service	162	343	23.09	32.51	1.41	148	358	24.63	36.57	1.48
Coos Bay District, BLM	120	393	21.09	26.78	1.27	61	267	20.78	38.03	1.83
Siskiyou National Forest, Forest Service	56	173	19.89	33.28	1.67	69	271	20.80	36.81	1.77
Medford District, BLM	82	247	21.06	23.10	1.10	89	289	21.00	25.51	1.21
Rogue River National Forest, Forest Service	76	183	14.54	22.13	1.52	82	202	15.84	23.97	1.51
Roseburg district, BLM	97	218	19.23	20.71	1.08	70	186	21.15	30.67	1.45
Umpqua National Forest, Forest Service	80	359	23.09	32.51	1.41	88	351	20.04	35.52	1.77
Western Oregon total:										
BLM	590	1,479	20.53	26.60	1.27	444	1,175	21.21	34.72	1.64
Forest Service	602	2,051	17.84	29.00	1.63	634	2,218	18.70	36.03	1.93

Summary table 13 is based on Appendix Tables 1–C and 2–C. It shows comparisons of appraised and bid prices for adjoining National Forests and Bureau of Land Management Districts with Bureau of Land Management prices adjusted by a factor of 1.18 to bring them to the equivalent of a bureau scale basis. After this adjustment, appraised rates for BLM sales average $6.39 and $6.33 per M board feet higher than for National Forest sales for fiscal years 1964 and 1965, respectively. BLM bid prices averaged $2.39 and $4.94 per M board feet (bureau scale basis) higher for these two years, respectively.

As a result of a comparative study of average appraisal costs and selling value estimates for BLM and Forest Service sales in western Oregon, three factors have been identified which unquestionably result in differences in appraisal allowances between the two agencies due to differences in characteristics of the revested O&C grant lands and the National Forest lands. These three factors are: (1) Hauling distance from sale to milling point, (2) Average cost of specified road construction, and (3) Differences in average species mix. The average hauling distance for Forest Service sales in western Oregon is 28 miles as compared to 20 miles for BLM sales. The difference in cost between hauling distances of this amount is $4.69 in terms of bureau scale. Average road construction cost is $7.24 for Forest Service sales and $6.95 per M board feet bureau scale for BLM sales. This is a difference of 29 cents per M board feet. Forest Service sales in western Oregon have an average 73.6 percent Douglas-fir which is the most valuable species. BLM sales average 80 percent Douglas-fir. The difference in selling value due to this differential in species mix is $1.63 per M bureau scale. The total of these three factors is $6.61 per M bureau scale. These differentials indicate that the differences in appraised prices on the average for western Oregon are reasonable.

There may be other differences due to physical characteristics of the two properties. For instance, it is quite possible that timber quality of the Douglas-fir stands at the lower elevations on the BLM areas may be higher than for the National Forests, which are generally at higher elevations. However, it is impossible to be sure that apparent differences on this point are due to timber conditions or to appraisal methods.

SUMMARY TABLE 13.—*Comparisons of appraised and bid values for adjoining national forests and Bureau of Land Management districts with BLM prices adjusted to Bureau scale basis*

Area and agency	Values per thousand board feet—Bureau scale			
	Fiscal year 1964		Fiscal year 1965	
	Appraised price	Bid price	Appraised price	Bid price
Mount Hood National Forest [1]	$13.00	$26.58	$14.21	$35.72
Salem district [2]	22.55	32.18	23.47	42.72
Willamette National Forest [1]	17.78	31.39	17.41	39.60
Eugene district [2]	25.57	38.28	29.06	56.68
Siuslaw National Forest [1]	23.09	32.51	24.63	36.57
Coos Bay district [2]	24.89	31.60	24.52	44.88
Siskiyou National Forest [1]	19.89	33.28	20.80	36.81
Medford district [2]	24.85	27.26	24.78	30.10
Rogue River National Forest [1]	14.54	22.13	15.84	23.97
Roseburg district [2]	22.69	24.44	24.96	36.19
Umpqua National Forest [1]	23.09	32.51	20.04	35.52
Western Oregon total:				
BLM	24.23	31.39	25.03	40.97
FS	17.84	29.00	18.70	36.03
Difference in total	6.39	2.39	6.33	4.94

[1] Forest Service.
[2] Bureau of Land Management.

Summary Table 14 is derived from Summary Table 13 by finding the difference between appraised and bid values of adjacent Forest Service and Bureau of Land Management areas. In addition, the bid premium differences for the same comparative areas has been obtained and tabulated. This table is quite useful in tracing the high degree of variability between adjacent areas and between the two fiscal years. Since generally appraised and bid values for BLM lands are higher than for Forest Service timber, the tabulated differences in appraised and bid value are in terms of excess of BLM value over Forest Service value. On the other hand, Forest Service bid premiums generally exceed BLM premiums and for the bid premium column the comparison shows the excess of Forest Service bid premium over BLM bid premium. Where the excess does not follow either of these general rules, the figures are circled to indicate a negative value. Thus for bid and appraised value a circled figure means that the Forest Service value exceeds the BLM value. For the bid premium column, a circled figure means that the BLM bid premium exceeds the Forest Service bid premium.

In fiscal year 1964, the average appraised value difference between BLM and the Forest Service was $6.39. However, for adjacent BLM Districts and National Forests there was a variation of a 40 cent excess of FS value above BLM for the Roseburg-Umpqua area in contrast to an excess of BLM over FS values of $10.31 in the Medford-Rogue River area.

For this year the average difference in bid value was $2.39 per M but the variance in individual areas was from a higher bid value of $5.77 for the Forest Service in the Eugene-Siuslaw area as compared to a higher bid value for BLM of $8.07 in the Roseburg-Umpqua area. The average difference in bid premium in FY '64 was $4.00 per M board feet but varied from $10.98 in the Siskiyou National Forest-Medford District comparison to a bid premium in favor of the BLM of $4.29 in the Eugene-Siuslaw area.

There were even greater swings in fiscal year 1965. The spread and differences in appraised price was $11.74 per M, in bid price $26.82 per M, and in bid premium was $26.37 per M.

This table indicates the variability in the average value of timber being sold by individual areas from year to year and the variability in bidding response which may develop between nearby areas. On the average, there should be a difference in favor of BLM in appraised price of approximately $6.50. The range of values for the two years in the appraised price difference column shows there is a high degree of variability between nearby individual areas. The shifts between years in this relationship for the same comparative areas indicates how this assumption can shift for different annual sales programs.

The highest variability is in the bid premium columns which well illustrate the uncertainties of bidding results both by area and by different time periods.

SUMMARY TABLE 14.—*Differences in appraised and bid prices and bid premiums after adjustment of BLM prices to bureau scale*

[Dollars per thousand board feet]

Comparative areas	Fiscal year 1964			Fiscal year 1965		
	Excess of BLM over FS values in—		Excess of FS over BLM bid premiums	Excess of BLM over FS values in—		Excess of FS over BLM bid premiums
	Appraised	Bid		Appraised	Bid	
Mount Hood National Forest-Salem BLM District	9.49	5.60	3.89	9.26	7.00	2.26
Salem BLM District-Willamette National Forest	4.77	.79	3.98	6.06	3.12	2.94
Willamette National Forest-Eugene BLM District	7.79	6.89	.90	11.65	17.08	[1] —5.43
Eugene BLM District-Siuslaw National Forest	1.48	5.77	[1] —4.29	4.43	20.11	[1] —15.68
Siuslaw National Forest-Coos Bay BLM	1.80	[1] —.91	2.71	[1] —.09	8.31	[1] —8.40
Coos Bay BLM-Siskiyou National Forest	5.00	[1] —1.68	6.68	3.72	8.07	[1] —4.35
Siskiyou National Forest-Medford BLM	4.96	[1] —6.02	10.98	3.98	[1] —6.71	10.69
Medford BLM-Rogue River National Forest	10.31	5.13	5.18	8.94	6.13	2.81
Rogue River National Forest-Roseburg BLM	8.15	2.31	5.84	9.12	12.22	[1] —3.10
Roseburg BLM-Umpqua National Forest	[1] —.40	[1] —8.07	7.67	4.92	.67	4.25
BLM-FS totals for west Oregon	6.39	2.39	4.00	6.33	4.94	1.39

[1] Indicates negative value. For bid and appraised columns, negative value means FS value exceeds BLM value. In bid premium columns, negative value means BLM bid premium exceeds FS premium.

Summary Table 15 is based on Appendix Tables 6–C and 7–C. It shows comparison between Bureau of Land Management and Forest Service sales by no bid, single bid, and multi bid categories. No bid sales are inconsequential for both agencies in both fiscal years. In 1964 no bid sales were equal to approximately one percent of total sales for the Forest Service. A similar ratio of no bid sales in 1965 occurred for Bureau of Land Management.

The pattern of single bid sales is somewhat different between the two agencies. For the Forest Service, the highest single bid percentage was 6.9 in 1964. In the same year the single bid percentage was 39.2 for the Bureau of Land Management. Single bid sales in 1965 dropped to about half of these rates for both agencies. The effect of single bid sales on overall average bid indexes of the two agencies is minor for the Forest Service. For the Bureau of Land Management, multi bid sale index is 17 and 11 points higher, respectively, for the two years than the overall bid indices. (See Table 12 for overall bid indices.)

SUMMARY TABLE 15.—*Comparison of no bid, single bid, and multibid sales of Forest Service and BLM in western Oregon advertised sales in fiscal years 1964 and 1965*

Agency	Fiscal year	No bids			Total volume sold (million board feet)	Single bid sales		Multibid sales	
		Number of sales	Volume (million board feet)	Appraised price (per thousand board feet)		Percent by volume	Bid index	Percent by volume	Bid index
Forest Service	1964	20	22	$11.98	2,051	6.9	1.00	93.1	1.67
BLM	1964	6	2	12.24	1,479	39.2	1.00	60.8	1.47
BLM	1965	4	11	19.19	1,176	15.8	1.00	84.2	1.75
Forest Service	1965	8	3	20.31	2,210	3.8	1.01	96.2	1.95

B. Other price data

1. British Columbia

The Forest Service of the Province of British Columbia sells approximately four billion board feet annually. This is the largest volume of sales of public timber within the free world conducted by a single organization other than from the National Forests in the United States. During 1961 and 1962 when lumbermen in the United States raised an intense protest against the increase of imports of lumber from British Columbia, there were numerous allegations of more favorable stumpage prices and timber administration in British Columbia than on the National Forests in the United States.

On April 24, 1962, the Forest Service issued a statement on stumpage prices and pricing policies in British Columbia. A copy of this statement is included in the Appendix as Item 12. This statement reviews the numerous facets where comparability or adjustments must be made in order to make valid comparisons between prices and timber sale policies in British Columbia and in the National Forests of the Pacific Northwest and Northern Rocky Mountain area. The report summarized British Columbia timber prices by species with the most comparable timber prices for the National Forests in the United States. This was done for the four-year period 1958–1961, inclusive. The same study has been extended to include calendar years 1962, '63, and '64. The results are shown in Table 16. Compilations of appraised timber prices in British Columbia are not readily available. The British Columbia Forest Service issues detailed summaries of bid prices by districts and species. Since there is very little competition for timber in British Columbia, the bid prices closely approximate appraised prices.

A comparative record for the seven years from 1958 to 1964, inclusive, shows that National Forest appraised prices and British Columbia bid prices have been reasonably close together for the most comparable areas. National Forest bid prices still continue to be materially above British Columbia bid prices.

Timber appraisals in interior British Columbia are made on a lumber basis. Lumber price realizations of interior British Columbia mills are dependent primarily on lumber prices in the United States. These price levels are reflected in British Columbia timber appraisals. The system of appraisal of the British Columbia and U. S. Forest Service is basically the same. Our conclusion after study of statistics and a field investigation in the Prince George and Kamloops Districts of British Columbia in 1962 is that the methods followed by the British Columbia Forest Service and the U. S. Forest Service would produce approximately the same appraised stumpage values either in British Columbia or on the comparable National Forest areas of the Pacific Northwest and Northern Rocky Mountain States. Higher returns are being realized on National Forest timber because of the greater number of mills competing for timber in the United States and because British Columbia has adopted policies which discourage the development of situations where there will be competition for timber.

TABLE 16.—*Comparison of stumpage values in British Columbia with national forest stumpage sales in United States*

[U.S. log scale basis]

Species and district	Constant weighting (percent) (1960 basis)	1958			1959			1960		
		Per thousand U.S. scale [1]			Per thousand U.S. scale [1]			Per thousand U.S. scale [1]		
		British Columbia [2]	Comparable, United States		British Columbia [2]	Comparable, United States		British Columbia [2]	Comparable, United States	
			Advertised	Bid		Advertised	Bid		Advertised	Bid
Spruce:										
Prince George	57	$3.95	$3.73	$6.73	$6.43	$6.93	$11.81	$5.68	$4.63	$6.69
Kamloops	14	4.19	4.53	4.86	5.49	13.74	14.15	6.09	10.84	11.69
Nelson	14	5.00	3.73	6.73	6.45	6.93	11.81	5.76	4.63	6.69
Vancouver	4	4.28	[3] 17.06	[3] 17.52	4.53	[3] 31.34	[3] 31.34	6.16	6.63	7.69
Prince Rupert	11	3.84	4.38	6.28	4.09	6.33	9.37	4.21	4.43	5.78
Total	100	4.13	4.45	6.85	5.97	8.79	12.65	5.61	5.56	7.33
Douglas-fir:										
Prince George	7	4.04	2.77	4.30	7.61	5.75	9.05	6.34	4.07	7.03
Kamloops	48	5.61	3.50	6.33	8.31	10.53	15.72	7.70	7.99	10.93
Nelson	16	5.14	2.77	4.30	6.90	5.75	9.05	5.51	4.07	7.03
Vancouver	28	9.74	14.99	22.70	13.98	30.69	38.44	15.24	25.07	32.52
Prince Rupert	1	6.76	14.99	22.70	9.97	30.69	38.44	10.10	25.07	32.52
Total	100	6.59	6.66	10.61	9.64	15.28	20.77	9.39	12.04	16.29

TABLE 16.—*Comparison of stumpage values in British Columbia with national forest stumpage sales in United States*—Continued

[U.S. log scale basis]

Species and district	Constan weighting (percent) (1960 basis)	1958			1959			1960		
		Per thousand U.S. scale [1]			Per thousand U.S. scale [1]			Per thousand U.S. scale [1]		
		British Columbia [2]	Comparable, United States		British Columbia [2]	Comparable, United States		British Columbia [2]	Comparable, United States	
			Advertised	Bid		Advertised	Bid		Advertised	Bid
Hemlock:										
Prince George	3	$2.71	$1.03	$1.70	$3.61	$3.60	$4.38	$2.05	$1.25	$5.69
Kamloops	8	2.69	1.01	1.18	4.23	1.69	3.11	2.50	1.10	2.17
Nelson	67	4.58	3.82	7.56	5.06	9.17	11.31	5.17	7.35	9.95
Vancouver	22	3.75	1.37	1.47	3.15	2.22	2.39	3.95	1.34	2.06
Prince Rupert										
Total	100	4.19	2.97	5.53	4.53	6.88	8.48	4.59	5.34	7.46

Species and district	1961			1962			1963			1964		
	Per thousand U.S. scale [1]			Per thousand U.S. scale [1]			Per thousand U.S. scale [1]			Per thousand U.S. scale [1]		
	British Columbia [2]	Comparable, United States		British Columbia [2]	Comparable, United States		British Columbia [2]	Comparable, United States		British Columbia [2]	Comparable, United States	
		Advertised	Bid		Advertised	Bid		Advertised	Bid		Advertised	Bid
Spruce:												
Prince George	$4.47	$2.75	$6.60	$3.93	$3.01	$9.34	$3.52	$3.52	$10.49	$4.81	$2.53	$11.02
Kamloops	3.29	4.16	5.65	3.93	3.85	5.34	4.74	3.69	6.32	6.03	3.34	8.24
Nelson	3.00	2.75	6.60	3.86	3.01	9.34	4.12	3.52	10.49	4.17	2.53	11.02
Vancouver	4.48	7.24	8.58	4.95	6.45	12.41	6.01	8.49	11.77	10.22	9.20	17.75
Prince Rupert	3.82	3.25	5.59	4.02	3.25	4.72	4.63	3.30	8.87	6.16	2.85	8.97
Total	4.03	3.18	6.44	3.97	3.29	8.39	4.00	3.72	9.78	5.26	2.95	10.67
Douglas-fir:	6.02	2.13	7.31	6.86	3.27	9.33	8.69	5.28	9.82	9.67	7.63	10.71
Kamloops	5.14	3.87	7.88	6.96	3.77	7.78	8.00	4.52	8.66	7.33	6.44	12.44
Nelson	4.71	2.13	7.31	5.34	3.27	9.33	8.26	5.28	9.82	9.19	7.63	10.71
Vancouver	10.96	16.15	23.08	15.14	16.51	24.91	18.09	13.25	17.18	21.67	18.44	26.41
Prince Rupert	6.90	16.15	23.08	11.92	16.51	24.91	19.40	14.93	18.73	16.85	18.44	26.41
Total	6.78	7.03	12.16	9.03	7.39	13.10	11.03	7.24	11.41	11.90	10.19	16.09
Hemlock:												
Prince George							2.52	2.04	4.31	3.62	2.47	5.35
Kamloops	.85	1.00	7.73	2.02	1.02	1.94	3.59	1.64	6.02	4.22	1.00	2.29
Nelson	2.19	1.00	1.41	2.31	1.05	2.31	2.24	2.04	4.31	3.10	2.47	5.35
Vancouver	4.66	7.39	10.29	4.75	5.57	9.02	4.76	5.89	10.00	8.75	7.86	13.53
Prince Rupert	3.43	1.31	1.53	3.70	1.48	1.54	5.11	1.18	1.50	5.40	1.74	3.21
Total	4.08	5.35	7.58	4.24	4.17	6.63	4.60	4.42	7.56	7.43	5.88	10.27

[1] British Columbia stumpage rates are combined timber sales and tree farm licenses, from reports of the British Columbia Forest Service, where rates are stated in units of hundred cubic feet. U.S. stumpage rates from forms 2400–17. Conversion factors of 6 board feet per cubic foot for coastal areas and 5.80 board feet per cubic foot for interior areas (based on factor of 1.67 for converting to lumber tally in the interior plus 15 percent overrun for interior species) are used to obtain stumpage rates per thousand board feet, U.S. log scale.

[2] Comparable U.S. stumpage rates were derived as follows: Kamloops equivalent to Okanogan-Colville National Forests. Prince George equivalent to Kootenai, Flathead, Kaniksu, Coeur d'Alene National Forests. Prince Rupert (coast) equivalent to Tongass National Forest. Prince Rupert (interior) equivalent to Kootenai, Flathead, Kaniksu, Coeur d'Alene National Forests. Nelson equivalent to Kootenai, Flathead, Kaniksu, Coeur d'Alene national forests. Vancouver (interior) equivalent to Kootenai, Flathead, Kaniksu, Coeur d'Alene National Forests. Vancouver (coast) to Olympic, Snoqualmie, Mount Baker.

[3] Small volume in sample distorts this value.

2. State Timber Sales

Timber sales of the State of Washington are by far the biggest volume and value transactions of any State. Table 17 summarizes the activities of the State for fiscal years 1964 and 1965. The timber sale activities for the Forest Service in the State of Washington are shown for comparative purposes. The State of Washington is now selling over a half billion board feet of timber per year. This is approximately 35 percent of the volume sold on the National Forests in the State of Washington.

The State of Washington sales are made by both lump sum and scaled procedures. Sales are cruised with the use of 32-foot log volume tables. Scaled sales are based on bureau scale measurement. Hence the unit of measure for the State of Washington sales is roughly comparable to the unit of measure used in National Forest sales.

The appraised value for State timber is substantially higher than the average for the National Forests. In fact, the State appraised price is almost twice that on the National Forests. Unquestionably this is due to shorter hauling distance and less road construction costs. National Forest timber in the State of Washington has the highest road cost allowances of any unit in the National Forest System. It averages close to $8.00 per thousand board feet. There is very little specified road costs in State of Washington sales. Also the hauling distance to market for State sales is much less than for the National Forests. State sales of old-growth timber are primarily from school and capital grant lands. Practically all of the "Section 16 and 36" within the National Forests have been exchanged to the State of Washington for consolidated blocks. These blocks are located along the lower boundaries of the National Forests affected. The lower hauling costs and the less road construction costs easily account for the average difference in appraised value between the State lands and the National Forests.

The bid ratios for the State are around 20 points less than for National Forests. Bid ratios increased in 1965 over 1964 on both the State and National Forest sales.

TABLE 17.—*State of Washington timber sales*

	State of Washington		National forests in State	
	Fiscal year 1964	Fiscal year 1965	Fiscal year 1964	Fiscal year 1965
Number of sales	164	195	388	371
Volume sold (million board feet)	530	552	1,451	1,423
Appraised price, per thousand board feet	$21.05	$22.80	$10.47	$11.49
Bid price, per thousand board feet	$26.07	$33.25	$15.64	$20.06
Bid ratio	1.24	1.46	1.49	1.75

Table 18 summarizes the State of Oregon (western) activities for combined fiscal years 1964 and 1965. The timber sales for F.S. and B.L.M. are shown for comparative purposes. The volume sold by the State for both years amounts to slightly less than five percent of the volume sold by the combined Federal agencies.

State sales are based on long log scales and are comparable to F.S. volumes. The B.L.M.

figures have been adjusted to put the figures on a comparable basis.

The appraised and bid prices of the State timber is substantially lower than for F.S. or B.L.M. timber. Actually the State prices are about one-half those of B.L.M. sales.

Most of this difference probably results from the lower quality of the State timber. The timber near Coos Bay and also SW of Salem is primarily young growth and a considerable volume is sold as commercial thinnings. Again, because of the nature of State sales policies there seems to be less competition for these sales.

Development (road) costs are probably nearly comparable to those of the Federal agencies and the combination of lower value with high costs results in a lower appraised price.

TABLE 18.—*State of Oregon timber sales in fiscal years 1964 and 1965 with comparison of sales on adjacent national forests and BLM districts*

	Number of sales	Volume (million board feet)	Value per thousand		Bid ratio
			Appraised	Bid	
Mount Hood National Forest	189	716	$13.68	$31.51	2.30
Sales, BLM district	224	575	22.99	37.18	1.62
Salem, State	118	168	11.73	20.16	1.72
Willamette National Forest	286	1,314	17.60	35.46	2.01
Eugene, BLM	291	479	26.73	44.39	1.66
Lane, State	4	8	29.47	43.50	1.48
Siuslaw National Forest	318	701	23.88	34.58	1.45
Coos Bay, BLM	181	660	24.74	36.97	1.49
Coos, State	59	165	12.58	17.20	1.37
Siskiyou National Forest	125	444	20.45	35.43	1.73
Medford, BLM	171	531	24.81	28.78	1.16
Southern Oregon, State	1	1	19.85	33.22	1.67
Rogue River National Forest	158	385	15.22	23.10	1.52
Roseburg, BLM	167	404	23.74	29.85	1.26
Umpqua National Forest	168	710	21.58	34.00	1.58
Total, western Oregon:					
BLM	1,034	2,649	24.58	35.62	1.45
Forest Service	1,236	4,270	18.29	32.65	1.79
State	182	342	12.59	19.33	1.54

TABLE 19.—*Appraised and bid rates for State-owned sawtimber timber sales, by regions and States, fiscal year 1964*

Region	State	Number of sales	Volume (thousand board feet)	Price per thousand board feet		Bid ratio	Comparable national forest		
				Appraised	Bid		Volume (million board feet)	Appraised value	Bid ratio
1	Idaho	76	135,658	$6.08	$8.41	1.38	766	$5.03	1.60
	Montana	18	35,216	12.35	17.62	1.43	476	5.03	2.13
9	Michigan	27	3,286	19.99	24.02	1.20			
	Minnesota	1	178	12.99	15.59	1.20			
	Wisconsin	3	197	17.94	18.38	1.02			
	FISCAL YEAR 1965								
1	Idaho	66	59,843	$5.87	$9.49	1.62	820	$6.03	1.31
	Montana	8	19,205	9.38	18.66	1.99	414	5.71	1.88
9	Michigan	13	3,168	18.19	21.38	1.18			
	Minnesota								
	Wisconsin	9	2,139	20.97	24.88	1.19			

TABLE 20.—*Appraised and bid rates for State-owned cordwood timber sales by regions and States, fiscal year 1964*

Region	State	Number of sales	Volume (cords)	Price per cord		Bid ratio	Volume per thousand cords	Appraised price	Bid ratio
				Appraised	Bid				
9	Michigan	58	77,911	$2.35	$2.62	1.11			
	Minnesota	22	30,010	2.76	2.85	1.03			
	Wisconsin	13	17,391	3.23	3.51	1.09			
	Total or average	93	125,312	2.57	2.80	1.09	463	$1.58	1.29
	FISCAL YEAR 1965								
9	Michigan	49	106,620	$1.87	$2.13	1.14			
	Minnesota	11	9,803	3.71	3.71	1.00			
	Wisconsin	25	37,400	2.62	2.99	1.14			
	Total or average	85	153,823	2.17	2.44	1.12	620	$1.67	1.21

Sales of State timber for States with more than a nominal amount of timber sale activity, other than the States of Oregon and Washington, are summarized in Tables 19 and 20. The States of Idaho and Montana reported significant amounts of sales of sawlogs. The comparative volumes of timber sold and the bid ratios in the 42 Forests where demand is active within these two States are also shown for comparative purposes. Practically all of these State sales were in the same area covered by the 42 Forest zone. Timber volume for the State of Montana is not sufficiently large to provide a stable basis for comparisons with National Forest activities. Appraised timber value for the State of Montana was higher than for the National Forests. The State of Idaho appraised prices are reasonably close to those for the National Forests. Bid ratios experienced by the Forest Service were higher in 1964 and lower in 1965 than for the State. The comparisons indicate that the differences between the National Forests and State activities is within the realm of reason in this Northern Rocky Mountain area.

Sawlog sales for the three Lake States are too small to merit analysis. These three Lake States in total sold well over a hundred thousand cords of pulpwood in each of the fiscal years. In Minnesota in 1965 less than 10,000 cords were sold at a relatively high price. There was no competitive bidding for this volume. Aside from this one entry, the appraised prices and bid ratios for the three States are homogeneous.

Average appraised and bid prices and bid ratios for pulp sales in Region 9 are also shown. The three States sell about one-quarter of the volume sold from the National Forests in the Lake States Region. National Forest appraised prices are significantly lower than State-appraised prices. Bid ratios for National Forest timber are somewhat higher than those obtained by the three States. A major proportion of National Forest pulpwood sales in Region 9 is aspen or jack pine, the lowest valued species. About 40 percent of the cut of pulpwood of Region 9 comes from the Superior National Forest. This pulptimber is quite remote and consequently carries a low stumpage rate. The pulptimber sold by the three States has considerably less transportation cost to bring it to the mill than this Superior National Forest timber.

3. Private Timber Transactions

The outline for this report noted that there was little likelihood of obtaining worthwhile data on timber prices in private transactions. Timber transactions between private parties in the west are now quite limited. Most of them have tie-in considerations for values other than timber. Detailed conditions of sale are seldom available. During the course of this study, no worthwhile data on private timber transactions were obtained.

4. Income Tax Price Data

Timber operators electing to treat the cutting of timber as a sale under Section 631(a) of the Internal Revenue Code make a determination of fair market value of the timber they have cut in submitting Federal income tax returns. The income tax law makes it possible to treat an increase in value of standing timber which has been held over six months as a long-term capital gain. Such capital gains can be claimed both on timber owned by the taxpayer and on timber which he has a right to cut under contract with private owners or public agencies. We know of no compilation heretofore made of the timber values claimed by taxpayers for capital gain purposes.

The Internal Revenue Service has made a special compilation of fair market value determinations of timber cut by operators in western Oregon. The correspondence between the Forest Service and the Internal Revenue Service which resulted in this study is included in the Appendix as Item 13. The results of the study are summarized in Table 21.

The data presented, with a few exceptions, relate to the taxable year beginning in 1964. The quantities and values tabulated are the amounts for which a fair market value is claimed under Section 631(a) of the Internal Revenue Code. The fair market value relates to the first day of the taxable year in which

the timber was cut. In most instances this will be January 1, 1964. The values reported are taken from unaudited returns; they are what the taxpayers claimed and are not necessarily what the Internal Revenue Service would accept as fair market value.

The Forest Service furnished the Internal Revenue Service with a list of 167 operators arranged in four categories. Large mills were defined as those producing more than 30 million board feet of wood products or equivalent per year. Small mills were those producing less than this amount. Dependent mills were defined as those using 60 percent or more of public timber as raw material, and nondependent mills as those using less than 60 percent of public timber. The dependent-nondependent classification was necessarily based upon judgment estimates.

Out of the 167 listed firms, the Internal Revenue Service found that 63 did not claim capital gains under 631(a) during the year. No record could be found for 52 of the listed firms. Presumably these are firms which file under some other name from that shown in industry directories. The tax returns of 13 firms were not available at Portland when the compilation was made in February 1966.

We consider the total returns from the 39 firms covering 926 million board feet with a value of almost $30 million to be adequate sample of the fair market value level claimed for the 1964 tax year by the forest products industry of western Oregon. The limited volume and value obtained from the small operator class is inadequate to draw firm conclusions on differences between the level of fair market value determinations by large and by small operators. Out of 48 returns identified by Internal Revenue from the small operator list, 36 or 75 percent claimed no capital gain for timber cut. In contrast, the firms classified as large showed 50 percent of the firms with identified records claimed capital gains. These data confirm the general impression that capital gains on timber harvested is of relatively minor significance to the small mills. The data indicate that the small mills which did report capital gains claimed considerably higher timber valuations than did the large firms.

The objective of the inquiry was primarily to get information on the average level of fair market value claims in western Oregon rather than to study details of the levels claimed by small versus large mills. The evidence developed from this study may make it worthwhile for Internal Revenue to make some additional inquiries into the level of capital gains claimed by the small mills.

The average bid value obtained by the Forest Service and the Bureau of Land Management for all sales in western Oregon is also shown on Table 21. Bureau of Land Management average bid prices have been adjusted by multiplying by 1.18 to put their selling values on an equivalent of bureau scale. The reports of industry are primarily in terms of bureau scale or equivalent.

The average value claimed of $32.07 is within a reasonable distance of the Forest Service average bid value of $29.00 and the Bureau of Land Management value of $31.39 per thousand board feet. A taxpayer would naturally cite the highest value sales of public timber to justify his determination of fair market value. The tabulation indicates that the taxpayer's claims for fair market value have not been excessive as related to transaction evidence of bid rates for Federal timber.

It is evident that in determining fair market value for tax purposes operators are working to a concept of fair market value based on transaction evidence. This raises a question as to whether it is equitable to the United States for the Federal timber selling agencies to be appraising timber on an analytical appraisal basis which gives results substantially below the bid price averages, and for the United States to accept, in connection with taxation, timber valuations based exclusively on transaction evidence.

The capital gain which may be claimed on timber cut from public lands is the difference between fair market value as of the first day of the tax year in which the timber is cut and its "cost or other basis," i.e., the contract price. Since the contract price for public timber is a bid rather than an appraised price, it is consistent and equitable to use transaction evidence derived from bid prices to establish a capital gain under Section 631(a).

TABLE 21.—*Income tax data on timber values in western Oregon in taxable year 1964*

Category	Number of cases			Timber volume (million board feet)	Value	
	Proposed	Without 631(a) claim	Finally included		Total (thousands of dollars)	Per thousand board feet
Income tax data, taxable year 1964:						
Large, dependent	42	13	15	310	10,415	$33.55
Large, nondependent	39	14	12	507	14,956	29.52
Subtotal, large	81	27	27	817	25,371	31.08
Small, dependent	42	21	6	47	1,915	41.07
Small, nondependent	44	15	6	62	2,398	38.70
Subtotal, small	86	36	12	109	4,313	39.45
Total, all classes	167	63	39	926	29,684	32.07
Forest Service, fiscal year 1964				2,051		29.00
Bureau of Land Management, fiscal year 1964, adjusted to Bureau scale				1,253		31.39

C. Profit statistics

A statement "Profits in the Timber Industries" compiled by the Forest Service in consultation with Internal Revenue Service and issued on March 10, 1964 is included in the Appendix as Item 14. This report summarizes available information relating to profits in the timber industries.

Corporate net income after tax as a percent of business receipts from 1947–64 for lumber and wood products industry group, paper and paperboard products, and all manufacturing is shown in the graph below. [Graph cannot be reproduced in the RECORD.] For the lumber and wood products group, net income declined from 10.9 percent of business receipts in 1947 to a low of 1.2 percent in 1960. It increased to 1.8 percent in 1962 and is estimated to have further increased to more than 3 percent in 1964. Since 1960, profits in the lumber industry have been below the average for all manufacturing industries.

The study of "Profits in the Timber Industries" also developed that the lumber and wood products group had a lower effective tax rate than for all manufacturing industries. The effective tax rate was 34.2 percent of income subject to tax for lumber and plywood products as compared to a 50.1 percent for all manufacturing. The lower effective tax rate for lumber reflects the importance of net long-term capital gains on timber taxed at 25 percent. Also the lower tax rates on the first $25,000 of income is of significance to the smaller sized units of industry.

A more detailed study of profits in the western timber industries was made for the tax year 1962 by the Forest Service in cooperation with Internal Revenue Service. The study was made by a stratified sample. One firm out of ten producing less than three million board feet of lumber was included in the sample; one out of three firms producing from three to fifteen million board feet annually and all firms producing more than fifteen million board feet annually were included. All plywood, pulp and paper, and diversified forest products firms were included. The sample was expanded by the Internal Revenue Service to provide estimates of the total population. The estimated totals for these western firms are shown in Table 22.

TABLE 22.—*Relative importance of timber industries included in profit study*

[Dollar amounts in millions]

Type of firm	Total firms	Assets	Business receipts	Net income before tax
Western firms, total	1,558	$6,471	$6,417	$461.5
Lumber	1,452	1,253	1,829	82.6
Corporations	545	1,119	1,589	76.5
Small business corporations	86	61	76	3.1
Partnerships	279	73	126	1.7
Sole proprietorships	542		38	1.3
Plywood	69	212	400	6.1
Pulp and paper	15	1,524	1,159	141.3
Diversified	22	3,482	3,029	231.5
Eastern lumber firms	41	183	183	10.0

As indicated in the last line of Table 22, a number of eastern firms were also analyzed to provide a comparison with the earnings experience of western firms. The eastern sample included only firms estimated to produce in excess of 15 million board feet annually.

Each of the firms in the sample was classified as to whether it was dependent or nondependent on public timber. A firm was classed as dependent if more than 50 percent of logs consumed was estimated to come from public lands.

Those firms dependent on public timber were further classified as: (1) "competitive" if available evidence indicated that they paid five percent or more above the appraised price for public timber purchased during 1962; or (2) "noncompetitive" if evidence indicated that they paid less than five percent over the appraised price for public timber purchased during the year. The Internal Revenue Service classifed these categories further by asset size class and by corporate or other form of organization.

Table 23 uses net income after tax in percent of business receipts as a measure of profitability. The comparison is made between western lumber corporations classified by source of timber and asset size class. Generally corporations not dependent on public timber were more profitable than the dependent classifications. The noncompetitive dependent class with assets of $1 to $5 million shows a minus 3.5 percent. The number of firms in this category is limited to only five. This may account for the rather wide variance from the profit ratio pattern of other portions of the table. This profit deficit for this size class of "dependent-noncompetitive" firms accounts for the lower profit rate for all classes of "noncompetitive" than for the "competitive" dependent firms. In all other size categories the "noncompetitive" class has a higher profit rate than the "competitive."

The firms with assets over $5 million strongly influence the average profit rate for all classes of 2.8 percent. The high rate of returns for asset class of $5 million and over is all due to the rate shown for the firms not dependent on public timber.

Of maximum interest for the study of timber pricing is the dependent competitive classification because most timber purchasers in western Oregon fall in this category. The total population in this category accounts for most of the cut on the 42 National Forests of the Pacific Coast and Inland Empire States where demand-supply relationships are critical. Approximately 37 percent of the cut of public timber from this competitive zone comes from western Oregon. Hence it is logical to presume that the results on the dependent-competitive line of Table 23 are weighted at least by one-third from experience of BLM and Forest Service timber purchasers in western Oregon. The highest profit rate on this line is 1.4 percent for operations with asset size class of $1 to $5 million. The average profit rate for all size classes is 1.0 percent. This can scarcely be considered as satisfactory rate of net income earnings as a percent of total business receipts.

TABLE 23.—*Net income after tax in percent of business receipts, western lumber corporations, 1962*

Type of firm	Asset class				
	All classes	Under $500,000	$500,000 to $1,000,000	$1,000,000 to $5,000,000	Over $5,000,000
Dependent on public timber	0.8	−0.2	1.0	0.8	1.3
Competitive	1.0	−.3	.8	1.4	1.3
Noncompetitive	.5	.2	2.8	−3.5	1.4
Not dependent on public timber	4.2	1.7	.8	1.1	5.3
All firms	2.8	.5	.9	.9	4.6

TABLE 24.—*Net income before tax in percent of business receipts by type of firm, western lumber industry, 1962*

Type of firm	Corporations	Small business corporations	Partnerships	Sole proprietorships
Dependent on public timber	1.5	7.5	2.5	3.5
Competitive	1.9	7.2	3.5	5.1
Noncompetitive	1.0	8.3	−2.3	−0.1
Not dependent on public timber	7.2	0.8	−1.1	3.1
Total, all firms	4.8	4.0	1.3	3.3

TABLE 25.—*Net income after tax in percent of business receipts, western timber corporations, 1962*

[In percent]

Industry	All firms	Dependent on public timber			Not dependent on public timber
		Total	Competitive	Not competitive	
Western corporations:					
Lumber	2.8	0.8	1.0	0.5	4.2
Plywood	1.0	1.6	1.6	----------	.2
Pulp and paper	7.4	7.0	7.0	----------	7.5
Diversified	5.2	2.5	----------	----------	5.5
Total	4.7	2.2	----------	----------	5.5
Eastern lumber corporations	3.8	----------	----------	----------	----------
U.S. total:					
Lumber and wood products	1.8	----------	----------	----------	----------
Logging, sawmills, and planing mills	2.6	----------	----------	----------	----------
Millwork, veneer plywood, prefabrication	1.1	----------	----------	----------	----------
Wood containers and other wood products	1.2	----------	----------	----------	----------
Paper and board products	3.9	----------	----------	----------	----------
Pulpmills	8.7	----------	----------	----------	----------
All manufacturers	3.2	----------	----------	----------	----------

Table 24 compares net returns before tax in percent of business receipts for the four classes of business organizations in the western lumber industry. As shown in Table 22 approximately 87 percent of business receipts is accounted for by firms organized as regular corporations. A domestic corporation having not more than 10 shareholders and meeting other requirements may elect to be taxed as a partnership and is then designated a "small business corporation." Since neither small business corporations or partnerships are subject to direct Federal income taxation, it is necessary to make comparisons on the basis of net income before tax.

Table 24 shows no distinguishable pattern of profits by type or organization. "Dependent" firms other than regularly organized corporations had a higher before tax earning rate than the corporations. The small size of the population in the various categories of firms other than regularly organized corporations reduces the significance of the indicated differences.

Table 25 compares net income after tax in percent of business receipts for the various classes of western timber corporations—Lumber-Plywood-Pulp and Paper-Diversified—according to their dependence on public timber. Net income is proportionately higher for the pulp and paper and the diversified products firms than for the lumber manufacturers. Plywood firms had a lower earnings rate than lumber. Nondependent firms had a higher earning rate than dependent firms except for plywood. Eastern lumber corporations had a higher earnings rate than western lumber corporations. The difference of 1.0 percent may be due to the minimum size of the eastern mills sampled (over 15 million board feet annual production).

The average net income after tax in percent of business receipts for the U.S. lumber and wood products groups in 1962 was 1.8. This is 1.0 percent less than the ratio for western sawmill corporations analyzed in the study and 2.0 percent less than the sample for eastern lumber corporations.

The lumber and wood products group as defined in the Standard Industrial Classification includes three subgroups: (1) Logging, sawmills and planing mills, (2) Millwork, veneer, plywood, and prefabrication; and (3) Wood containers and other wood products. The average rate of earnings for western lumber corporations and for total U.S. logging, sawmill, and planing mills are quite similar (2.8 vs. 2.6 percent). Earning rates for western plywood corporations and for the total U.S. millwork, veneer, plywood, and prefabrication firms is also virtually the same. Western pulp and paper mills had a high earning rate compared to other western forest product firms but this earning rate was 1.3 percent less than the average rate attained by all U.S. pulpmills.

These studies of industry profits indicate that:

1. Lumber and wood products industry profits after taxes since 1959 have been less than the average for all U.S. manufacturers. The gap was greatest in tax year 1960 and 1961 when the lumber and wood product group was earning at less than half the rate attained by all manufacturers. In 1962 this relationship improved (1.8 vs. 3.2). In 1963 and 1964 the gap narrowed to minor significance (3.4 vs. 3.7 in 1964).

2. Earnings after tax in percent of business receipts of the logging sawmill and planning mill subdivision were slightly higher than for the entire lumber and wood products group. In 1962 the two earning rates were 2.6 and 1.8, respectively. The comparative record of net income after tax in percent of business receipts is:

Tax year	All manufacturers	Lumber and wood products	Logging, sawmills, and planing mills
1959	3.5	3.7	5.3
1960	2.9	1.2	2.0
1961	3.0	1.4	1.7
1962	3.2	1.8	2.6
1963	[1]3.3	[1]2.8	----------
1964	[1]3.7	[1]3.4	----------

[1] Estimated.

Earnings rates for the subgroup logging, sawmills, and planing mills for tax years 1963 and 1964 are not yet available. It appears likely that they will be around 1.0 percent higher than the earnings of the lumber and wood products group. If this indication proves correct, the earning rate for this subgroup will be slightly higher than the earnings rate for all manufacturers in 1963 and 1964.

3. Net income after tax of western lum-

ber corporations in 1962 was 2.8 percent of business receipts which is 0.2 percent more than for all U.S. logging, sawmill, and planing mill firms. It seems logical to presume that the earning rates for these two groups would be similar in 1963 and 1964 but there is no data available or under development to prove it.

4. In 1962 western corporate lumber firms dependent on public timber earned 0.8 percent of business receipts as compared to 4.2 percent for nondependent firms. Competitive dependent firms earned at a 1.0 percent rate and noncompetitive firms at a 0.5 percent rate. This no doubt results from favorable location of competitive firms to markets, better quality timber, better than average efficiency because of competition, and a larger spread between cost of production and returns. Many of the noncompetitive firms are located in marginal timber areas where opportunity for profitable enterprise is limited.

5. The intensive review of net income of western forest product firms has developed nothing to indicate that for the firms classified as dependent on public timber, lumber or plywood manufacturers had a capacity to pay higher prices for their raw materials than were obtained. The modest improvement in earnings of the lumber and wood product groups since 1962 has not changed this situation.

V. SUMMARY AND CONCLUSIONS

This joint report by the Forest Service, U.S.D.A., and the Bureau of Land Management, U.S.D.I., was made in response to a request from the Bureau of the Budget for a review to determine whether a fair return is being obtained for the sale of Federal timber.

Federal timber is sold after advertisement for competitive bidding. In the advertisement of sale, a minimum acceptable price is stated. The minimum stated acceptable price is the appraised value of the timber as determined by the agencies.

Appraised prices are determined by the agencies primarily through the use of analytical appraisal. An analytical appraisal determines what an operator of average efficiency can pay for raw material after allowance for a normal margin for profit and risk. There is no attempt to put appraised prices at bid levels. Transaction evidence is used primarily to check the adequacy of analytical appraisal procedures including, for the Forest Service, adjustments of profit ratios.

Numerous studies, reviews, and examinations of timber appraisal and sales practices have been made over the last 15 years. The major activities of this type have been summarized and evaluated in this report.

The objective of both agencies is the sale of allowable cut under sound multiple use management principles. The rate of timber sale offerings is not affected by ups and downs of lumber market. Costs of meeting multiple use requirements are recognized in timber appraisals and result in lower stumpage returns than would be obtained without such requirements.

After adjustment is made for location and characteristics of the properties managed by the two agencies in western Oregon, appraised value and bidding records are closely comparable and reconcilable.

In the Pacific Coast and Inland Empire States, installed capacity of sawmills and plywood plants is in excess of the allowable cut rates for public timber and the volume annually available from private lands. Private timber is now almost entirely in firm ownership. Little is available for sale. The demand for timber for purchase exceeds the supply available in timber offerings from the Federal timber selling agencies. Under these circumstances, there is strong competitive bidding for timber offerings even during times of adverse lumber markets. This happened in 1960 and 1961. In those years the average ratio of bid to appraised price for the 42 National Forests of the Pacific Coast and Inland Empire where timber demands are critical were 1.22 and 1.35, respectively. This was during a period when appraised values for National Forest timber in this area were being attacked savagely.

The ratio of bid to appraised price increased by about 30 points in fiscal year 1965 for both agencies in western Oregon. This increase in bid ratio in 1965 either did not occur or was of minor significance in other Forest Service Regions. In Region 6 the increase in bid ratio was only 10 points for eastern Oregon and Washington in FY 1965. The one area with substantial increase in bid ratio in FY 1965 is the Douglas-fir Region.

The agencies have agreed on a plan of action (stated in Item II–B of the report) to develop more uniformity in timber appraisal procedures in western Oregon. This plan of action will also result in raising the average level of appraised prices for both agencies in the Douglas-fir Region. This will, to some degree, counteract the abnormally high bid ratios which have been experienced in this area since 1965.

Timber price data for British Columbia and State Governments have been compiled. In British Columbia bid prices are at similar levels to appraised prices for comparable National Forests. British Columbia has followed a policy of discouraging competitive bidding and discouraging mill installations in excess of allowable cut capacity. The British Columbia Forest Service sells close to four billion board feet of timber annually. Because competition has been discouraged, prices for this large volume of business are set primarily by an analytical appraisal process. The similarity between appraised price levels for comparable Federal timber in the United States and for Crown timber in British Columbia is, therefore, quite significant.

The State of Washington sells more than half a billion board feet annually, most of which comes from grant lands with high quality timber in relatively accessible locations. Appraised values are approximately $10.00 per M board feet more than the average value of National Forest timber sold in the State of Washington during the two fiscal years. Bid ratios for the State timber are approximately 25 points less than for the National Forests in the same State. Washington State had higher bid ratios in 1965 of about the same proportions as were experienced by the Forest Service and Bureau of Land Management in western Oregon.

Timber sold by the State of Oregon is relatively minor. Appraised and bid value is from 20 to 60 percent less than comparable prices for Federal timber. This is in part due to poorer timber quality on the State lands.

The Internal Revenue Service furnished the average market value claimed by a sample of western Oregon taxpayers in connection with capital gains on timber held over six months for the tax year 1964. These determinations of fair market value by industrial taxpayers were reasonably close to average bid prices for Federal timber during 1964.

Available information on average industry profits shows that income as a percent of total business revenues has been less in the lumber and wood products industry group than for all manufacturers since 1959.

A special analysis of western forest products firms for the tax year 1962 has just been made by the Forest Service and the Internal Revenue Service. This study used a stratified sample in which firms were classified upon their dependency on Federal timber and their location in competitive or noncompetitive areas. Firms classified as nondependent on public timber had substantially higher returns than those classified as dependent. Within the dependent group, the firms purchasing timber noncompetitively had a lower rate of earnings than the firms in competitive areas. The firms classed as noncompetitive are primarily outside of the 42 Forests highly competitive zone. They are in nonpreferred locations where the lack of competition may also reflect marginal opportunity for profitable enterprise.

This intensive review of western lumber firms' profits for calendar year 1962 indicates there is no basis to presume that this industry had a potential to pay a higher price for its raw materials than it paid during that year. There has been some improvement in profit trends in the lumber industry in 1963 and 1964. This improvement has not been of such dimension as to indicate a need for revision in pricing and sales procedures to obtain a fair return to the Government in its stumpage sales.

There are relatively few situations where the seller of raw material can set and obtain a minimum price which is based on the paying capacity of the manufacturer. The appraised prices being set by the agencies for Federal timber is such a price. At the present time, in the Pacific Coast and Inland Empire areas, intensive competitive conditions are resulting in a substantially higher price for Federal timber.

WAR ON CRIME

Mr. WILLIAMS of Delaware. Mr. President, in the Washington Star of July 12, 1967, appeared a timely editorial entitled "Phony War on Crime."

This editorial points out the alarming trend of the Justice Department's new policy of giving every break to the criminal and ignoring the fact that the innocent victims of these crimes deserve consideration.

New regulations of the Attorney General go far beyond the restrictions on wiretaps and bugging that were suggested just 2 years ago by President Johnson. They forbid law-enforcement practices which even the Supreme Court has not yet ruled improper. As this editorial points out:

> A suspicious soul might think that they are an invitation to the court to go farther than it has up to this time—and this may not be lost upon the "liberal" judicial majority.

Can it be that the Department of Justice is deliberately laying the groundwork for a series of reversals by the courts of previous criminal convictions on the basis that at some time during the investigation the individuals involved had used a telephone upon which somebody had placed a wiretapping device?

Let us not overlook the fact that this could be a convenient device for fixing criminal cases through the simple process of having someone place a wiretap on that individual who may be headed for the penitentiary.

The time is long past when the Department of Justice and the Johnson administration, with their loudly heralded "war on crime," begin to center their attention on the proper targets—namely, the actual law violators.

Our country was founded upon the basic principle of equal justice for all, and it would be well for the justices of our courts to reread this principle as they enter their chambers.

I ask unanimous consent to have printed in the RECORD at this point the editorial from the Evening Star of July 12, entitled "Phony War on Crime."

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

PHONY WAR ON CRIME

There comes a time when a spade should be called a spade, and there also comes a time when a phony war should be called a phony war. That time has been reached in Lyndon Johnson's much-touted and loudly-heralded "war on crime."

The sweeping—and they are sweeping—regulations just put out by Attorney General Ramsey Clark restricting the use of wiretaps and electronic listening devices are the last straw. The attorney general surely would not have sounded this call for retreat without the approval of the President. So one is driven to the conclusion that the war on crime is a phony war, and that all of the President's high-flown speeches, not to mention the attorney general's rhetorical contributions, have been nothing more than wordy exercises designed to conceal the fact that this administration's heart is not in its so-called war.

The attorney general's new regulations go well beyond the restrictions on wiretaps and bugging imposed two years ago by the President. They forbid law-enforcement practices which the Supreme Court has not yet outlawed. A suspicious soul might think that they are an invitation to the court to go farther than it has up to this time—and this may not be lost upon the "liberal" judicial majority.

Ramsey Clark obviously has a thing about wiretaps and bugging. He thinks they are a waste of manpower. He has testified that they are "abhorrent" devices. He says that all of his experience shows that electronic surveillance (he has had very little experience in criminal law enforcement) is not necessary for the public safety, is not a desirable or effective investigative technique, and that these abhorrent devices should be used only in the national security field. He has never explained why wiretaps and bugs are essential in national security cases but useless against organized crime. Of course he cannot come up with any rational explanation.

Let's turn to another witness, Frank S. Hogan, New York County district attorney, has been in the front line of the war on crime for 27 years. He told the President's Crime Commission: Electronic surveillance is the single most valuable weapon in law enforcement's fight against organized crime. . . . It has permitted us to undertake major investigations of organized crime. Without it, and I confine myself to top figures in the underworld, my own office could not have convicted Charles "Lucky" Luciano, Jimmy Hines, Louis "Lepke" Buchalter, Jacob "Gurrah" Shapiro, Joseph "Socks" Lanza, George Scalise, Frank Erickson, John "Dio" Dioguardi, and Frank Carbo.

Well, there it is. Take your choice. Frank S. Hogan, who has sent scores of vicious hoodlums to jail, is quite willing to use the "abhorrent" eavesdropping weapon in his war on crime. He thinks it is an essential weapon. Ramsey Clark and Lyndon Johnson are not willing. They would prefer to conduct their war with speeches at twenty paces. And, in consequences, this war is one which organized crime will surely win and which the American people, the ultimate victims, will surely lose.

GOVERNOR ROMNEY'S HARD-HITTING LANSING SPEECH DRAWS PRAISE

Mr. BENNETT. Mr. President, recently in Lansing, Mich., that State's able Governor, George Romney, delivered an address to the Governor's Conference on "Innovation in Social Problem Solving and Strengthening Family Life."

The Governor's speech is very timely and his points are extremely well taken. He points out in the very beginning:

The problems are in the headlines every day: Riots of the disadvantaged in the ghetto. Riots of the affluent on the campus. Crime in the streets. Juvenile delinquency in the suburbs. Dishonesty in high places. Drug addiction. LSD. Alcoholism. Tranquilizers. Sexual promiscuity. Marital infidelity. Family breakdown. Personal irresponsibility in all its forms. What a paradox. In the land of the free, men and women are increasingly dependent—whether on drugs or alcohol, on a psychoanalyst, on sensual stimulation or on governmental handouts.

Michigan's Governor goes on to talk about the failures of many of the social programs that have been underway for years and years, saying:

There is serious doubt about the future of public support for governmental welfare, educational, and social programs.

Not only does he carefully outline the many problems that we are facing today, but he also offers an excellent solution, that being the return to prominence of the family, which he calls our first window on the world.

He says "sound families build sound character and sound character builds a sound society."

Mr. President, Governor Romney's excellent speech deserves wide distribution, and I ask that it be inserted at this point in the RECORD.

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

ADDRESS BY GOV. GEORGE ROMNEY

An appropriate motto for this conference would be these words from Winston Churchill: "Give us the tools, and we will finish the job."

This afternoon, we will be examining a set of new tools. It's an incomplete set; we're only starting to assemble it. In fact, many of the tools we seek and badly need have not yet even been designed.

These tools are needed for a job that's just begun—the job of liberating the energies of a free people to overcome our growing human and social problems.

The problems are in the headlines every day:

Riots of the disadvantaged in the ghetto. Riots of the affluent on the campus. Crime in the streets. Juvenile delinquency in the suburbs. Dishonesty in high places. Drug addiction. LSD. Alcoholism. Tranquilizers. Sexual promiscuity. Marital infidelity. Family breakdown. Personal irresponsibility in all its forms.

What a paradox!

In the land of the free, men and women are increasingly dependent—whether on drugs or alcohol, on a psychoanalyst, on sensual stimulation, or on governmental handouts.

In the home of the brave, men and women are increasingly afraid—whether of personal insecurity and failure, of personal responsibility, of vast impersonal forces and institutions they can neither control nor comprehend, or even of other men and women, perhaps with different colored skins.

To solve our human and social problems, we must find a way to re-create a sense of community within America—a community of responsible Americans—responsible for themselves and responsible for helping one another.

To succeed, we must choose our tools carefully. For I believe many of the tools we are now using are taking us into a blind alley.

The story of America has been the story of a great people working together to build a great nation—primarily through personal responsibility, private initiative, and voluntary cooperation, but supplemented by local, state, and federal governmental action when appropriate.

But we were slow in responding to the new, intricate, and demanding human and social problems of the twentieth-century.

We were slow in developing the full range of tools we needed—private and voluntary tools—even state and local governmental tools—the tools of personal responsibility.

Because we were slow, we have come to doubt the effectiveness of these traditional American methods.

Instead, we have passed the ball primarily to the federal government. We have come to look to government for the solution of almost all our problems. We have begun to think that, if government can't solve our problems, they can't be solved at all.

And today, frustration and disillusionment are growing because—despite hundreds of federal programs costing billions of dollars—our human and social problems continue to multiply on every side.

We face a crisis of confidence in the primarily federal approach that we have taken.

Even the advocates of massive federal programs concede that federal tools have failed to do the job.

A cabinet official decries the "major problems" that result from narrow and fragmented federal programs.

The federal Budget Director deplores the tendency of federal programs to by-pass and weaken governors and mayors.

A chief architect of the federal anti-poverty program questions the "altogether too glowing" official claims about the results of federal urban programs.

A leading liberal urban analyst notes unhappily, "At a cost of more than three billion dollars, the Urban Renewal Agency has succeeded in materially reducing the supply of low cost housing in American cities."

An aide to the two most recent Presidents is troubled that the growth of central power is shrinking the significance of the individual citizen.

The Welfare Commissioner of New York City testifies that our nation's welfare system is "bankrupt" because it locks the poor into dependency.

And a militant civil rights leader calls the welfare system "the white man's greatest weapon to keep the Negro down."

But the trouble goes deeper than the mere fact that federal tools have failed to solve our problems. In many cases, despite their good intentions, they have made the problems worse.

A democratic society requires many active independent centers of responsibility and creativity—not just one. There must be many communities of concern, each willing and equipped to take direct responsibility for direct action to meet needs.

But too often, federal programs have stifled, rather than strengthened, the rich diversity and creativity of America's human and social resources for solving human and social problems.

We are finding that it is possible to lose the substance of a democratic society, even though the structure of democratic representative government remains.

For the federal approach has speeded the depersonalization of society and rationalized the abdication of personal responsibility. And these are major causes of America's declining sense of community and mounting problems.

The changes brought by industrialization, urbanization, and technological advance—despite their many benefits—have increasingly tended to transform America into an impersonal society.

A large city is more impersonal than a

small town. And the majority of Americans live in urban centers.

Driving an automobile is more impersonal than riding a streetcar. And most Americans go by auto.

Working in a giant enterprise is more impersonal than working in a small business. And most Americans work for large organizations.

Studying in a giant university is more impersonal than going to a small college. And most American students attend the larger institutions, where the college pennant has been replaced by the IBM card.

And to all these depersonalizing forces, add one more: big government.

Government agencies have an unfortunate tendency to think of people in terms of categories—"target populations" to shoot programs at—depersonalized blocks, not individual human beings.

As seen by government agencies, the people have a way of becoming subjects to be manipulated, not citizens to be served.

As seen by the people, government has a way of becoming "they," not "we"—"theirs," not "ours."

And by substituing governmental effort, however well-intentioned, for personal effort, we tend not only to depersonalize society, but to dehumanize ourselves.

Many of you are active in your United Fund and Community Chest campaigns. I know a man who never contributes. He says, "Why should I? It's the government's job to take care of the needy. I pay my taxes, and that's enough."

He's a brave man! But he's wrong.

What he's really saying is that we've hired our Good Samaritan, so we can forget our personal responsibility for attacking human and social problems.

But when that assumption takes hold in a community, we have cut off at the root the humane impulse of concern that led us to seek an answer in the first place—even a governmental answer.

With that kind of reasoning, the answer to the question, "Am I my brother's keeper?" is a quick and easy "No—because we've hired a keeper for our brother."

Thus we are shielded from direct personal confrontation with our disadvantaged brother. We never really see him as a human being and fellow child of God. We make it easy to forget that he is a real person with flesh and bones and blood—with problems, hopes and fears like ours.

And even the governmental keeper we have hired is insulated from his charge—by layer after layer of bureaucracy, by rigid rules and regulations, by professional manpower shortages, and by overcrowded caseloads that prevent even the most dedicated social worker from supplying more than sporadic attention to those whom he is trying to help.

The result is a tragic loss of the fellow-feeling that knits a mere aggregate of people into a true community. The sequel is rising discord, suspicion, animosity, and fear.

For inevitably, the members of one "target population" begin to see themselves as competitors with every other "target population". Each group suspects the other of getting a larger share of governmental favors, or bearing a smaller share of governmental costs.

Take, for example, the affluent or reasonably comfortable middle-class—the majority of the people who pay the bulk of the taxes. They may be right in thinking that they're the biggest target group of all.

More and more, they are resisting many governmental programs designed to help the disadvantaged. They not only sense the shortcomings of the government approach—but they resent its growing cost. Even school millage proposals, which would directly benefit almost everyone, are repeatedly defeated.

Many taxpayers are increasingly resentful and intolerant of the faceless recipients of governmental handouts. Those who pay tend to stereotype those who receive as lazy, shiftless parasites.

Thus decent, warm-hearted human beings—who would not think of turning their backs on someone who was starving, injured, or troubled if they met him in the flesh—will oppose without a second thought governmental programs intended to help those very same starving, injured, troubled people.

As a result, there is serious doubt about the future of public support for governmental welfare, educational, and social programs.

And how about the people at the bottom of the heap—the disadvantaged individuals and groups who need help the most?

Many are becoming increasingly resentful at their apparent inability to break through into the affluent society around them. They are fed up with being "kept." They are tired of being locked into the cycle of poverty and dependency that governmental programs too often force upon them. And too many—with their hopes shattered, their self-confidence undermined, and their motivation destroyed—have simply given up.

Thus the affluent think we're spending too much and doing too much, and the deprived think we're spending too little and doing too little.

And paradoxically, both are right. We're spending too much on the wrong things, and not doing enough of the right things.

The result is a widening gulf between the affluent majority and the deprived minority—not only an economic gulf, but a psychological gulf, a chasm in human understanding, a brotherhood gap.

Three-quarters of us are in danger of smothering in the cozy bedclothes of our affluence, while millions are choking on their own hopelessness and squalor.

Too many of the affluent have become arrogant, unsatisfied, and frightened, while too many of the deprived have become dependent, frustrated, and embittered.

We sense the impending danger of a great breach in our social structure, a tearing of our social fabric.

How shall we respond to this grave challenge?

Shall we echo the fanatic and desperate outcry of extremists on the left and right—embracing either blind, irresponsible collectivism or equally blind and irresponsible individualism?

Shall we throw up our hands in despair and await the seemingly inevitable dissolution of society?

My answer is no—we will do neither. For the cause is not lost—not while responsible Americans are willing to give of themselves for the sake of their fellow men, their children, and their country's future.

Together, we can find a better way—a better way to re-create the sense of community we so desperately need—a better way to make our whole society come alive to its responsibilities and opportunities—a better way to overcome our mounting problems.

And that better way is active, personal, responsible commitment and concern.

This can never be imposed from the top down. We can only build it from the bottom up.

Today, our problems are so massive that we must call upon the full resources of society, in all their rich diversity. That includes government, business, universities, private organizations of all kinds—and most of all, individual men and women.

I believe that there is still a vast reservoir of commitment in Michigan and in America just waiting to be tapped—men and women who are willing and eager to get out and get involved.

The trouble is that so many of our voluntary programs in the past have seemed irrelevant to the problems we confront. Rolling bandages is an anachronism in the space age.

This is the generation of innovation. Yet our innovation in the social field has lagged far behind our innovation in the physical and material field.

We have failed to develop the social instruments—the tools—through which people who want to help can make a truly meaningful contribution.

Sure, it's important for people to have a place to go when they want to ask for help. But it's just as important for people to have a place to go when they want to give their help. And it's essential that they have something meaningful to do when they get there.

The new tools we will examine at this conference are innovating tools. They reflect the tested insights of social research. They seek to apply the fruits of scientific and technological development to social problem-solving. They seek to make the forces of science and technology work for us, not against us—transforming even the computer into an instrument for re-personalizing American society and reasserting the primacy of the individual person.

And because these are innovating tools, they are also renovating tools. They seek to put private and governmental effort in proper relationship to one another.

Thirty years ago, Walter Lippmann wrote:

"It is generally supposed that the increasing complexity of the social order requires an increasing direction from officials. My own view is, rather, as affairs become more intricate, more extended in time and space, more involved and inter-related, overhead direction by officials of the state has to become simpler, less intensive, less direct, more general."

These tools recognize the crucial importance of true partnership between private effort and governmental effort. It is not a question of 'either-or"; it is a necessity for "both-and." These tools apply the principle that has guided the work of our State Human Resources Council—that government has a responsibility to encourage, assist, and stimulate private effort, but never to replace it. Only then can private effort play its proper role in a balanced attack on social problems. Only then can we tap the full range of society's creativity and diversity.

These tools also come to grips with the fact that much of the frustration and division in our society stems from false perception.

If the disadvantaged perceive themselves as helpless failures, as they too often do, their motivation is destroyed. If society perceives them as utterly useless and irredeemable, as it too often does, it is reluctant to extend a helping hand. These false perceptions on both sides reinforce the cycle of dependency.

These new programs seek to change such false perceptions. They give the disadvantaged a chance to prove their worth both to themselves and to society. They provide the opportunity for self-help, self-advancement, and renewed self-confidence. They can transform losers into winners—benefitting both the individual and society at large.

In addition, each of these tools seeks in its own way to strengthen the fundamental social institution on whose vitality the ultimate health of society depends—the family.

The family is our first window on the world. It teaches us who we are and what we stand for. It shapes our attitudes toward other people and society. It teaches us how to relate to other people—first to the members of our family, who are only slightly different from ourselves, and then to outsiders who may be vastly different. Sound families build sound character. And sound character builds a sound society.

These programs strengthen the forces that will strengthen family life—church activities; sound child-training habits; decent, productive, meaningful employment; home ownership; a solid family financial base; well-founded self-confidence; and constructive participation in community life.

Finally and indispensably, these tools recognize the central role of the individual

volunteer. Their success importantly depends on responsible, dedicated individuals—yes, and families—who care enough to get involved directly, actively, and personally in the day-to-day struggles and problems of those in need of help.

The volunteer supplies the touch of personal concern that is missing in so many governmental programs. After all, a case worker can spend only a few minutes a week with each family assigned to him. But the volunteer works on a one-to-one basis. He helps the social worker do a better job, by providing sustained contact with the family. His gift of time, inspiration, example, and concern can make the difference between failure and success.

The most exciting fact about programs like these is that they work—they really work. And their success is a tribute to the problem-solving capacity of responsible Americans.

As a veteran social services administrator remarked about the Lansing one-to-one family volunteer program, "When I heard about this project, I thought I'd been around this business too long. But when I sat through the first report meeting, and saw the results they were getting, I decided I hadn't been in the business long enough."

When this conference is over, I think you too will decide that we haven't been in this business long enough.

We know these tools do not provide a total answer to our problems—but they point the direction we must go.

I urge you to pick up these tools, take them home, put them to work. And out of your own experience, forge new and even better tools.

I believe—I deeply believe—that the future of this state and nation requires a revitalization of personal responsibility, family responsibility, and private institutional responsibility.

I appeal to you, and through you to the people of Michigan:

As responsible Americans, join in the pursuit and practice of the better way.

Join in the struggle to reclaim the lives of those for whom each new day is only one more lesson in futility.

Join in the great task confronting this generation of Americans: to restore the concept of community and brotherhood.

Give more than your money. Give your time, your talent, your example, your inspiration, your concern. Give yourself.

The responsibility is ours. The need is great. The time is short. The tools are in our hands.

If the commitment is in our hearts, we cannot fail.

PERCY PLAN DESERVES RECEPTIVE ATTITUDE BY ADMINISTRATION

Mr. BAKER. Mr. President, a few weeks ago Mr. James J. Kilpatrick applauded Senator CHARLES PERCY'S proposal to create a National Home Ownership Foundation. Mr. Kilpatrick's analysis of the proposal is as good an explanation as I have seen of why Senator PERCY'S imaginative proposal has excited the attention of the public and the support of so many Members of both Houses of Congress.

Two of Mr. Kilpatrick's comments deserve special attention. First, he writes that the bill's most attractive feature is its "sharp focus upon the individual family, its dreams and aspirations." In this revolutionary era such a statement is relevant in more areas than housing. There is growing awareness in our society that government—at the central, State, and local levels—should involve itself more actively in promoting the economic, social and political well-being of the individual citizens. But there is an accompanying concern about what effect the expansion of our present umbrella of social welfare programs will have upon our individualism. Indeed, our society is today engaged in a crucial dialog about how we can maintain personal identity, dignity and purpose in this age of automation, tract housing and gigantic corporations and government. The business of the Republic is to chart a new direction which recognizes and deals with the problems of individuals in a mass society. Senator PERCY'S efforts in housing are an important contribution to this dialog. His proposal avoids welfare paternalism and instead focuses upon homeownership as a means of helping the poor help themselves.

The second point Mr. Kilpatrick makes, about which I would like to comment, is contained in the last paragraph of his column. He writes:

> Democrats having offered nothing but the same old public housing will want to think twice before they knock it.

It is not my intention here to turn Senator PERCY'S efforts into a partisan matter. He would not want that. I do not want that. Nor do I think the Republican Party should want it. The legislation is too worthwhile, too promising, too important to our housing efforts to be bogged down in purely partisan considerations. But, at the same time, I do want to point out that a concern for avoidance of partisanship should apply as well to the national administration as to the Republican Party.

The Secretary of Housing and Urban Development, Robert Weaver, has not been especially reassuring in this respect. The Secretary, it seems perfectly apparent to me, has gone out of his way to discredit Senator PERCY'S efforts. I will admit that the persuasiveness of the Secretary's arguments has not been much cause for concern. But his hostility to an innovative effort that has growing support on both sides of the aisle is a cause for concern. I sincerely hope that in the forthcoming hearings on the Percy bill, that the administration will demonstrate a sympathetic rather than hostile attitude.

And Mr. Weaver might well keep in mind the admonition of Mr. Kilpatrick: "Think twice before you knock it."

I ask unanimous consent to include Mr. Kilpatrick's excellent article in the RECORD.

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

PERCY'S HOUSING BILL OFFERS BRIGHT HOPES

(By James J. Kilpatrick)

Public hearings now have been promised for mid-July on Senator Charles Percy's ingenious bill to create a National Home Ownership Foundation. The bill is important in itself, in the bright promise it holds for significant gains in low-income housing. Yet his proposal is greater than the sum of its inventive parts. The peripheral aspects are as attractive as the main theme.

By its very boldness, the Percy bill invites fresh speculation on the role of Congress in the total governmental process. In the ordinary course of events, Congress simply reacts to bills that are sent up the Hill from the White House. Such measures are drafted in executive agencies; they bear the President's approval; they become "administration bills," and provide a basis for reckoning a presidential box score.

The Percy bill, by contrast, offers the first instance in recent memory by which the Congress itself would undertake to write its own law, from scratch, in a major legislative field. There is thus presented the remarkable possibility that through the Percy bill—the work of a freshman senator from Illinois—the Congress might move toward regaining its lost independence.

The July hearings also will offer some indication of the administration's sincerity on the matter of a bipartisan approach. Back in January, the President grinned at members of the opposition, "whose numbers, if I am not mistaken, seem to have increased somewhat," and encouraged them to come up with "choices and reasonable alternatives." The Percy bill is of course a Republican bill. The question arises: "Will it be snuffed out for that political reason alone?

A third aspect of the senator's plan ought to win applause in conservative quarters. From beginning to end, his bill relies upon the "private sector." Tax funds are involved, to be sure, in his proposed interest subsidies; the full faith and credit of the U.S. government would be pledged to debentures of the foundation he conceives. But the foundation itself would not be an instrumentality of the government; it would pay taxes on its real property, as other private corporations do; two-thirds of its governing board would be privately appointed. To a Congress grown callous to billion-dollar bills, Percy's request for only $10 million the first year is ridiculously small.

Most attractive of all, however, is the bill's sharp focus upon the individual family, its dreams and aspiration. In this approach, the Percy plan runs diametrically opposite to the long trend of laws providing for rent supplements and public housing.

The vice in existing housing law is that the low-income individual tends to become a computerized cipher; he is a faceless drone in a high-rise hive. If his income increases beyond a certain point, he risks eviction from his public housing unit. The family that receives a rent supplement has no incentive toward higher income, for higher income means only a lower supplement.

Percy's bill does not talk of "housing units." It talks of "homes." Under the senator's plan, a federally chartered National Home Ownership Foundation would raise up to $2 billion in private capital by selling its guaranteed debentures in the private market. These proceeds then would be loaned to nonprofit local associations which in turn would build or renovate low-income homes, generally costing no more than $12,500. These would be sold, not rented, to qualified families, on long-term 3 percent loans.

The senator has gone beyond mere economics. He hopes that in many instances, a prospective buyer will build up a "sweater equity" in his home by working on the association's construction jobs. Under his plan of mortgage repayment, the low-income family sees an equity growing right from the start. A home thus becomes their home. And the cost to the taxpayer lies only in picking up an interest subsidy of 3 percent per year.

It would be pleasant, of course, if the housing problems of the poor could be solved wholly by free enterprise, without subsidy of any sort. The inexorable rules of the marketplace virtually prohibit so happy a solution. Constitutional objections to one side, Percy's dramatically new approach offers the best compromise yet devised; and envious Democrats, having offered nothing but the same old public housing, will want to think twice before they knock it.

DECISION OF JUDGE WRIGHT

Mr. WILLIAMS of Delaware. Mr. President, in a recent issue of the Washington Star appeared an article by Mr. James J. Kilpatrick entitled "The Outpourings of a Despotic Judge."

In this article Mr. Kilpatrick calls our attention to a recent decision of Judge J. Skelly Wright which if left unchallenged can have tremendous repercussions upon our public school system. This decision is in direct contradiction of the law passed by Congress.

I ask unaminous consent that this editorial be printed in the RECORD.

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

THE OUTPOURINGS OF A DESPOTIC JUDGE

(By James J. Kilpatrick)

Over the next few months, local school boards and school superintendents throughout the nation will find themselves confronted with an appalling but necessary piece of homework. They will have to wade through the portentous opinion of Circuit Judge J. Skelly Wright in the case known locally as Hobson vs. Hansen.

If the bizarre principles laid down in this opinion win acceptance by the United States Supreme Court, every school district in the country may find itself compelled to take revolutionary steps toward the integration of its public schools. And "integration," in Judge Wright's desire, does not mean racial integration only; it means socio-economic integration also, white with Negro, rich with poor.

Going far beyond any requirements ever laid down before, Judge Wright has contrived some new constitutional rights. Thus, every Negro student has a constitutional right "to an integrated faculty." Every student has a constitutional right "to obtain an integrated educational experience." The District of Columbia School Board is ordered to base its policies on programs that will achieve "maximum effective integration." The hiring and assignment of incoming teachers "must proceed on a color-conscious basis to insure substantial and rapid teacher integration in every school."

These Draconian pronouncements, binding only upon the D.C. school board, ironically will have relatively little impact here. The District's schools already are about 93 percent Negro. Only a handful of white pupils are left to integrate with. The significance of Judge Wright's decree lies in its potential application to other cities that face "de facto" segregation brought about by housing patterns.

In 25 years of covering Federal courts, this correspondent never has seen an opinion quite like this one. The thing runs on for 183 heavily footnoted pages. It is an editorial, an essay, a thesis, a panegyric. In part, it is demagoguery: "Everyone agrees that education should include the opportunity for biracial experience." Running through the opinion is a waspish animus against Washington's School. Supt. Carl F. Hansen; Judge Wright's tone is not the tone of a judge, but of a zealot, a fanatic. He is a man obsessed: He will achieve equalitarianism by the force of a court decree.

In spinning out his opinion, Judge Wright relies primarily upon a slender thread in the Fifth Amendment to the Constitution. No person shall be deprived of "life, liberty, or property, without due process of law." Using the reverse English devised by Chief Justice Warren in the Bolling case 13 years ago, Judge Wright relies also upon the commandment of the Fourteenth Amendment that "no State" shall deny to any person the equal protection of the laws. It was "unthinkable," said Warren in this former D.C. school segregation case, that the Constitution should impose a lesser duty upon the Federal government than on the States.

From these constitutional roots, the strange fruit flowers. It is not enough, in Judge Wright's view, that pupils should be treated equally. Some are more equal than others. Therefore, Negroes and "the poor" are constitutionally entitled to "compensatory" treatment. A neighborhood school policy may have some advantages, but Judge Wright is not impressed by them. As presently administered, the District's neighborhood school policy "results in harm to Negro children and to society."

The judge is especially contemptuous of the feelings and sensitivities of the white teachers who comprise 23 percent of the District's faculty. Their personal preferences be damned; they must be shifted around like pawns this fall, and reassigned willy-nilly in the holy name of integration. Personal prejudice is "heresay"—his word—and should not be condoned.

In brief, this opinion is the outpouring of a despot who has swallowed emotionalism and regurgitated law. Because the court's orders are embraced by the District's predominantly Negro school board, it is uncertain whether the case will be appealed. The District may have to live with it. The question is: What other cities may have to live with it, too?

CASH SUBSIDY PAYMENTS TO FARMERS

Mr. WILLIAMS of Delaware. Mr. President, on June 19 and again on July 13, 1967, I included in the RECORD a list of farmers who had received cash subsidy payments in excess of $50,000.

These figures were obtained from a report which had been furnished to the Senate Appropriations Committee and which is now being printed as an official Senate document.

Since those remarks, I have received complaints from four farmers, all in Indiana, that the payments attributed to them were in error. I immediately forwarded their complaints to the Department of Agriculture, and it has confirmed these errors.

The original report furnished by the Department of Agriculture, and as was printed in the RECORD, listed the farmers and their payments as follows:

Mary Jo Hegarty, Newport (Vermillion County), Ind	$75,030
Pineland, North America, 4823 Lima Road, Fort Wayne, Allen County, Ind	68,325
Interstate Industrial Park, 4823 Lima Road, Allen County, Ind	67,820
Dale Armbruster, rural route 1, Woodburn, Allen County, Ind	67,820

A reexamination by the Department confirms that Mrs. Hegarty, instead of receiving $75,030 in 1966, only received $42,649, $8,061 of which was paid to her personally and $34,588 was paid to Maurice Hegarty as an agent.

Pinelands, North America, instead of receiving $68,325 in 1966 as originally reported, received $9,794.

Interstate Industrial Park, instead of receiving $67,820 as originally reported by the Department of Agriculture, had received only $1,516.

Mr. Dale Armbruster had received but $5,084 instead of the $67,800 as was originally reported by the Department.

I am forwarding copies of the Department's letters confirming these errors and their explanation thereon to each of the individuals mentioned.

Mr. President, I recognize that human errors do happen, but I am concerned that all four errors developed in the Indiana office; and I am suggesting that the Department of Agriculture reexamine the qualifications of the staff that is administering this program in that area.

There is no excuse for such glaring errors, and we must not overlook the fact that had these payments not been published and called to the attention of the individuals involved, these larger amounts would have automatically been reported to the Treasury Department as income to each party named, and they would have been in trouble with the Treasury Department for nonpayment of taxes on something they had not received.

I ask unanimous consent to have printed in the RECORD my two letters to the Department of Agriculture calling these errors to their attention, followed by the two replies, with enclosures, from the Department dated July 13, 1967.

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

U.S. SENATE,
Washington, D.C., June 28, 1967.

Hon. ORVILLE L. FREEMAN,
Secretary of Agriculture,
Department of Agriculture,
Washington, D.C.

MY DEAR MR. SECRETARY: Recently I received from the Agriculture Department a report listing all names, addresses, and total payments of $25,000 or more made under the ASCS Programs (excluding price support loans) for the year 1966.

In the listing for the state of Indiana, Parke County, there appears the following: "Mary Jo Hegarty, Newport, Indiana, $75,030."

I have received a letter from Mrs. Hegarty that this figure is in error; however, she refers to payments "in my own name," and I am wondering if this total represents accumulative payments that accrued to her in her own name and perhaps in the name of an estate, trust, etc., in which she is the primary beneficiary.

I would appreciate your checking this with your records and advising me.

Yours sincerely,

JOHN J. WILLIAMS.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., July 13, 1967.

Hon. JOHN J. WILLIAMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILLIAMS: We have investigated the amount of ASCS payments made in 1966 to Mrs. Mary Jo Hegarty, as you requested in your letter of June 28.

Mrs. Hegarty received the following payments:

State	County	Amount	
		As personal	As agent
Indiana	Parke	$463	$625
Do	Vermillion	7,210	33,963
Illinois	do	388	
Total		8,061	34,588
Total of all payments		42,649	

Mrs. Hegarty received payments as agent for the Harvey Estate, as well as payments in her own name as shown in the table above.

We regret that an error was made in the computer center in summarizing the data in this case and showing it incorrectly as $75,030.

Sincerely yours,

THOMAS R. HUGHES,
Executive Assistant to the Secretary.

U.S. SENATE,
Washington, D.C., June 28, 1967.

Hon. ORVILLE L. FREEMAN,
Secretary of Agriculture,
Department of Agriculture,
Washington, D.C.

MY DEAR MR. SECRETARY: Since my earlier correspondence of today I have received a call from the press in Indiana to the effect that there are three additional people in that state who have likewise claimed that the payments which they were alleged to have received in your most recent report of the payments of $25,000 or more made under the ASCS Programs (excluding price support loans) for 1966 are in error.

I have checked the Congressional Record with the listing as furnished by your Department, and they are the same. Those complaining and the amounts they were alleged to have received are as follows:

Pinelands, North America, 4823 Lima Road, Fort Wayne, Allen County, Ind.	$68,325
Dale Armbruster, rural route 1, Woodburn, Allen County, Ind.	67,820
Interstate Industrial Park, 4823 Lima road, Allen County, Ind.	67,820

Will you please have these figures either verified or the error explained.

Yours sincerely,

JOHN J. WILLIAMS.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., July 13, 1967.

Hon. JOHN J. WILLIAMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILLIAMS: After we received your letter of June 28, 1967, Mr. R. P. Beach, Deputy Administrator, Management, ASCS, received a telephone call from Mr. Edward J. Moppert of Hoffman, Moppert & Solomon, Attorneys at Law, Fort Wayne, Indiana, raising the same questions which you had regarding the payments to Pinelands, North America; Dale Armbruster; and, Interstate Industrial Park, all of Allen County, Indiana.

For your information we are enclosing a copy of Mr. Beach's replies to Mr. Moppert dated July 7 and July 10.

Sincerely yours,

THOMAS R. HUGHES,
Executive Assistant to the Secretary.
(Enclosures.)

U.S. DEPARTMENT OF AGRICULTURE,
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE,
Washington, D.C., July 7, 1967.

Mr. EDWARD J. MOPPERT, Jr.,
Hoffman, Moppert & Solomon, Attorneys at Law, Anthony Wayne Bank Building, Fort Wayne, Ind.

DEAR MR. MOPPERT: This is in confirmation of our telephone discussions regarding the payments made in calendar year 1966 under ASCS programs to Pinelands, North America; Interstate Industrial Park; and Dale Armbruster, all headquartered in Allen County, Indiana.

A follow-up of the steps in the process of producing the payment lists which were published shows that errors were made in transcribing county payment reports to the input data used in the computer operations.

Correct payments were:

Interstate Industrial Park	$1,516
Dale Armbruster	5,084

We have not yet been able to verify the correct amount of payments to Pinelands, North America. Since they have operations in several counties and States, this complicates the problem.

We regret that the errors occurred but are sure that you understand the many mistakes possible when several million individual payments had to be visually considered, the cases possibly involving total payments of over $5,000 typed, and all having to be fed into a computer for selection and grouping by payees, regardless of the number of localities in which some may have interests. The results produced more than 7,000 individuals whose names and total payments then had to be printed and summarized by the computer.

As soon as we have verified data to report for Pinelands, North America, we will inform you.

Sincerely yours,

R. P. BEACH,
Deputy Administrator, Management.

JULY 10, 1967.

Mr. EDWARD J. MOPPERT, Jr.,
Hoffman, Moppert & Solomon, Attorneys at Law, Anthony Wayne Bank Building, Fort Wayne, Ind.

DEAR MR. MOPPERT: This is in further confirmation of our discussion on the telephone on July 7, regarding ASCS program payments to "Pinelands, North America."

Our check indicates that total payments of $9,794 were made in 1966 to Pinelands in the following counties and States:

Indiana:	
De Kalb Co	$403
Marion Co	505
Grant Co	1,310
Porter Co	1,738
Allen Co	3,973
Michigan: Jackson Co	1,865
Total	9,794

The payment of $68,325 listed in the machine print-outs we furnished Senator Williams, and which were the basis for the list he inserted in the Congressional Record, was in error due to a mis-read by the scanner.

We regret the inconvenience this error has caused.

Yours very truly,

R. P. BEACH,
Deputy Administrator, Management.

THE CURE FOR COMMUNISM

Mr. HARTKE. Mr. President, Sydney J. Harris, in a recent column, has offered some constructive remarks and insights concerning the nature of the challenge we face from communism. His point of view is that which I have long since held, one which stresses the necessity for a positive approach rather than the negative attitude indicated by the common phrase "anti-Communist."

It is not enough, as Mr. Harris notes, to be against—the problem lies in the conditions which breed communism. Those conditions include, in Mr. Harris' list, injustice, bigotry, starvation, ignorance, disease and poverty. Communism is "a creed of despair more than of hope," and its appeal is to those who have nothing to lose. We need a positive approach, to regard communism in its true light as a symptom, not as a cause.

Mr. President, I ask unanimous consent that the article, taken from the Louisville Times of July 11, may appear in the CONGRESSIONAL RECORD.

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

HOW TO FIGHT COMMUNISM: ATTACK THE WORLD'S ILLS

(By Sydney J. Harris)

CHICAGO.—Writing in the Catholic publication, Commonweal, Conor Cruise O'Brien says in a brief paragraph what needs to be read and reflected upon by every responsible citizen on this side of the Iron Curtain:

"The problem of our age is not how to stop, fight or eradicate communism. It is how to cope with its challenges and its appeals in such a way that the competing systems on the planet may produce more benefits to mankind than threats and suffering."

And this is what most dedicated anti-Communists are not able to see—that it is not enough today to be *against;* and that if communism were utterly wiped off the earth, we would still be faced with huge problems of injustice, bigotry, starvation, ignorance, disease and poverty.

All these existed long before communism and will continue long after it has been eradicated—unless we are able to help the whole world move into the 20th century. In this affluent technological age, people are no longer willing to accept their status or deprivation as an act of God or fateful necessity. They want a chance at more of the good things of life, and nothing is going to stop them.

It is not enough to demonstrate that our system works relatively well for us. If it won't work well for them, they won't want it. We have to show how our particular fusion of capitalism and democracy can pull them out of the mire—and if it can't, they will turn to some other socio-economic mix.

Communism is appealing only to people who see no other way out. It is a creed of despair more than of hope; a goal for those who feel they have nothing to lose. The best way to "fight" it is by helping them get something to lose, by giving them a real stake in society.

What is stupid about the passionate right-wingers is regarding communism as a cause, instead of a symptom. It is a symptom of a deep malaise in the social organism; and if Marx had never been born, and the whole apparatus of communism had not been formulated, they would still be the same agitation and unrest under a different name.

You don't cure measles by rubbing off the spots, and you don't eliminate the profound disturbances in a social order by getting rid of the revolutionaries. If the causes remain, the symptoms will reappear, in even more virulent form. This is an obvious truth that despots and doctrinaires of both left and right cannot seem to grasp.

THE NORTH CAROLINA MUTUAL LIFE INSURANCE CO.

Mr. ERVIN. Mr. President, on June 29, 1967, Asa T. Spaulding, president of the North Carolina Mutual Life Insurance Co., of Durham, made a speech before the Durham Kiwanis Club in which he portrayed in eloquent words the history of the North Carolina Mutual Life Insurance Co., which is the largest and most successful life insurance company in the world organized and operated by Negroes. Incidentally, Mr. Spaulding is one of North Carolina's and the Nation's outstanding citizens. As appears from Mr. Spaulding's speech, the late C. C. Spaulding, who served for a time as the president of this great insurance company,

was one of the founders of the company. On one occasion, the late C. C. Spaulding made a statement of a fundamental truth, which all Americans would do well to remember. He said:

Equality is a thing which should not be demanded, because it cannot be granted; it has to be earned. No Utopian dreamer can achieve it for another man. You can't drink from the spring high on the mountain unless you climb for the water. If the Negro wants equality, except for opportunity, he must pay for it, and the unalterable price is character and achievement.

As a consequence of their character and achievements, the organizers and operators of the North Carolina Mutual Life Insurance Co. have climbed to the top of the mountain and have made the company an organization known throughout America and in lands beyond the seas as a life insurance company whose integrity prompts it to meet every obligation and whose financial resources enable it to do so.

The sacrifices and endeavors leading to these things are well expressed in Mr. Spaulding's speech to the Kiwanis Club of Durham. I ask unanimous consent that this speech be printed at this point in the body of the RECORD.

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

NORTH CAROLINA MUTUAL LIFE INSURANCE CO. AND THE DURHAM COMMUNITY

Former Mayor Evans, Officers and Members of the Durham Kiwanis Club, and Fellow Citizens:

I appreciate the invitation to address you today, and being asked to talk about North Carolina Mutual Life Insurance Company; for its roots go down deep in the Durham Community, and it and Durham have grown together. And what has helped one has helped the other.

When the Company was organized here almost sixty-nine years ago, Durham was a rather small community and our race was less than forty years from slavery. The people *upon* whom the Company was built during the early years were *inexperienced* in business; and the major portion was at or below the poverty level, illiterate, superstitious, and suspicious. The evidences of need were everywhere. Furthermore, the Negro mortality rate was so high—they were dying so fast—that many people were predicting that the "Negro problem in America" would soon "solve *itself* by the Negro race dying out." These were not such good prophets, nor did they show great wisdom by neglecting the problems.

THE FIRST CRISIS

The first year of the Company's operations was so discouraging that five of the original seven organizers withdrew. The remaining two were not "quitters," even though the idea of Negroes attempting "to run a life insurance company" was not only openly questioned, but was *ridiculed*.

When the first death claim of forty dollars created a crisis because there was no money in the treasury, John Merrick and Dr. A. M. Moore, with the general manager, the late C. C. Spaulding, contributing his only twenty-nine cents, took the balance of the forty dollars out of their pockets so that the claim might be paid and the faith of the deceased policyholder in the Company vindicated.

FRIENDS IN THE WHITE COMMUNITY

Fortunately for the Company, its organizers and early builders had friends in the white community who were successful businessmen, and who were anxious to see them succeed and, therefore, freely advised and encouraged them when such advice and encouragement were so much needed and meaningful. Efforts to maintain channels of communication and bridges of understanding between the races has been traditional with the management of the Company during its entire history.

Although there have been times when the Durham climate and environment have not been as favorable toward and for the Company and its personnel as we might have wished, we have always believed that through the contributions which the Company and its personnel would make to the community, these conditions could and would improve, and both would be the better for it. This we have seen happen. My presence here today is one indication of it.

R. McCants Andrews, in the book *John Merrick, A Biographical Sketch*, says:

"One of the most important and practical results that have followed the growth and development of the North Carolina Mutual has been the tempering of race relations." He continues: "But the Company has gone further than merely to attempt to keep relations between the races friendly in North Carolina; it has always instructed its employees everywhere . . . that cooperation and mutual friendliness of the races is the great hope for the development of the South."

NEGRO PATRIOTISM

In the May 10, 1918 issue of the *State Journal* of Raleigh, North Carolina, in an editorial under the caption "Colored People with Heads Up," is the following:

"Secretary McAdoo has acknowledged the $100,000.00 subscription of Liberty Loan Bonds by the North Carolina Mutual and Provident Association of Durham by declaring that 'The Treasury Department has never received a more substantial expression of the patriotism of the Negro race in the South than evidenced in this subscription. It is probably the largest subscription in Government securities ever taken by a company comprised of the Negro race. This insurance company reflects somewhat the sentiment of the leaders of the Negro race in the South as it operates in most of the Southern States'." The editorial continued: "Secretary McAdoo is a Southern man and his tribute to the colored people may be taken as a model for any timid white man who would deny to them any of the credit for the large things they so often do. A 'substantial expression of patriotism,' Mr. McAdoo calls it; more substance to it than ever made by the race, perhaps, but it is as spiritual a contribution as any race or individual has made."

NORTH CAROLINA MUTUAL—THE POLICYHOLDERS' COMPANY

The North Carolina Mutual Life Insurance Company—a "Mutual" Company—is the policyholders' company. It is totally owned by them. It is something in which they can take pride in calling their own and through which they make a contribution to our American way of life and provide convincing evidence that Negroes can and will make worthwhile accomplishments when given the chance.

A STAKE IN AMERICA

Through the accumulated nickels, dimes, and dollars of a minority ethnic group which, for nearly one-hundred years, has had to survive largely upon the *economic crumbs* of this country, the North Carolina Mutual has enabled them to acquire a stake in America through the Company's more than ninety-million dollars in assets.

Through mortgage loans, the Company has helped a struggling people to become homeowners, finance businesses, build churches and schools, acquire other properties, and otherwise become self-respecting, first-class citizens. Through its purchase of stocks and bonds, it has helped finance our federal and state governments and political subdivisions thereof, state turnpikes, schools, water and sewer systems, housing projects, trancontinental and connecting railroads, telephone and telegraph companies, power, light and gas companies serving forty-eight states of the United States and parts of Canada, and numerous miscellaneous industrial corporations, as well as the International Bank for Reconstruction and Development and other governmental agencies. These represent only a part of the Negro's stake in America and of his Company's efforts to help make America a better place for all.

THE DURHAM COMMUNITY

Furthermore, the North Carolina Mutual has always striven to be a good, responsible citizen of the Durham community and to participate in all possible efforts to improve it. The construction of its new home office building at Mutual Plaza is a tangible expression of its pride and confidence in the community and in the future growth and development of the area. The Company has a total investment in the Durham area of more than $6.951 million. It paid in city and county taxes last year on real estate a total of $102,007.00. Its total income for 1966 exceeded $23,660,000.00, and it disbursed more than $2,103,067 in the Durham area. This helped to enrich the economy of the area.

The Company provides employment for 275 people in its home office and 40 in its Durham district office. The combined payroll for the home office and Durham district personnel for 1966 was $1,738,746.00. This also provided employment and support for others in many occupations.

The employees are good citizens who support the commercial, civic, educational and religious life of the community. Reports received from sixty-two of them reveal that they own real estate and cars valued at $1,600,000.00, and that they paid in city and county taxes in 1966 approximately $20,000.00.*

THE LARGER SIGNIFICANCE

The larger significance of North Carolina Mutual in America and in the twentieth century of the world's progress cannot be measured solely in terms of money value. Its contributions have been inspirational and social as well as economic. It has stimulated deeper and wider faith in the honesty and integrity of Negro leaders. It opened "the door of hope" to young Negro men and women of aspiration when other doors now open were closed to them, and caused this door to swing wider and wider on its hinges as the surging stream of young humanity swept across its threshold. And herein lies the quintessence of the merit which must be the basis for whatever value the future historian shall place upon it. Any evaluation of its contribution to the life of the Negro in the United States must be determined by the effect it has had upon his status and upon race relations and international relations. Members of the Company's official staff have served, and continue to serve, on local, state, and national boards, councils and commissions; and on foreign missions and delegations as representatives of the United States Government.

ATTRACTS NATIONAL ATTENTION TO DURHAM COMMUNITY

Because of what North Carolina Mutual symbolizes, and its various public relations and extra-curricular activities, it has been an instrumentality for repeatedly focusing national and international attention on the Durham community.

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*The questionnaires were circulated on June 23, and 62 were returned in time for inclusion here.

Through its handling of Shaw University's public affairs program for over eleven years, it has brought to Durham and exposed to the Durham community, one at a time, between 70 and 100 outstanding citizens of the Nation, and several foreign countries; they, in turn, have carried the news of Durham to all parts of the Country and many foreign lands.

DEDICATION OF OUR NEW HOME OFFICE BUILDING

In the January 1967 *Ebony* "Progress Report for 1966," the dedication of North Carolina Mutual's new home office building was singled out as the "biggest 1966 event" in the Negro business world; and the December 1966 issue of *Fortune* includes this building among its "ten best buildings in the United States" for 1966, and says: "It is likely that you will never see a collection of architectural landmarks made in this mold again." In other words, the building stands as an eloquent witness to the indomitable determination of a people to win its way in American life with dignity and honor.

Because of what it symbolizes, government, education, the communications media, business, industry, labor, literature and the arts, the professions, religion, and sports cooperated in its dedication. This was an outstanding demonstration of togetherness on all levels. Five American, one French and one Swedish magazine have carried articles on our building.

The dedication activities began on April 1—the sixty-seventh anniversary of the Company's commencing business—with a symposium on "The Negro in the American Economy" with forty outstanding leaders and authorities in their respectve fields participating as panelists in the eight seminars conducted during the first day.

Stephen Vincent Benet's "John Brown's Body" was presented by the Durham Theatre Guild from March 28 through April 1.

SPEAKERS OF NATIONAL STATURE

The opening keynote address was given by Dr. Andrew F. Brimmer, Member of the Board of Governors of the Federal Reserve System. The luncheon address was given by the Honorable John T. Connor, Secretary of Commerce. The banquet address was by Dr. Robert C. Weaver, Secretary of the Department of Housing and Urban Development.

On Saturday, April 2, the unveiling of state seals was by officials of the respective states in which the Company operates. The dedicatory address was by the Honorable Hubert H. Humphrey, Vice President of the United States, with more than five-thousand persons in attendance from all walks of life and from across the nation, and representatives of foreign governments.

Music for the occasion was by Miss Lois Price, Soprano, North Carolina College's Music Department, and the 30th Infantry Division Band, North Carolina Army National Guard, CWO–W4, Millard P. Burt, Director.

Vice President Humphrey commended the Company for the inspiration and example it has given America, and for having "opened its doors to the visitors and the internes from emerging nations of Africa," saying:

"This is why today . . . you and your great insurance company have been honored by our government for your service to this Nation, and these friends from other lands who came here to see and learn your procedures and your techniques were the better for it—and, even more important, perhaps, they were able to take heart from your capacity to start from small beginnings, to overcome unbelievable great hardships and difficulties, and to reach your present pinnacle of success. . . . Your achievements offer eloquent testimony of the business ability, the financial and investment skills, the prudence and the integrity that American Negroes can bring to the business community, as well as to the larger society."

Secretary of Commerce Connor, in his address, referred to the dedication as "a proud moment for the citizens of Durham, for North Carolinians, for Southerners, and for all Americans—especially for our Negro citizens. For we dedicate here today a house that *they* built. And from the beginning they built their house upon a rock."

The Secretary continued:

"This great company has been tested, it has weathered two world wars, a major depression, numerous recessions, and worst of all, prejudice and discrimination as ancient as civilization itself. It not only has weathered every storm and overcome every handicap, but each time, it has emerged stronger than ever . . ."

He added:

"It was built through the faith of the policyholders no less than through the faith of the active workers in this organization."

Secretary Connor concluded:

"So we meet here today to honor those who are serving their fellow man and the Nation through this great business organization. . . . When there was little opportunity, they made opportunity.

"When there was little hope in the world, they found abundant hope in their hearts.

"When there was little faith in their ability, they developed faith in themselves.

"These people and this Company are a symbol before all the world of what free men and free institutions can do in a free democratic society. They have added not only to the stature of America in the world community of nations, they have added to the stature of the human race. Man can stand taller for their actions."

Secretary Robert C. Weaver, in his banquet address in the Great Hall, Union Building of Duke University, and a policyholder of the Company, said:

"I make no apology for speaking of housing and government participation therein on this occasion.

"A quarter of a century ago, it was the North Carolina Mutual Life Insurance Company which was unique among Negro businesses in recognizing the importance and significance of FHA insured and GI Guaranteed Mortgages. In the mid-forties, 75% of such underwritten mortgages by government, held by Negro-controlled enterprises, were in the portfolio of this insurance company . . . there have been scores of instances when no other source of mortgage money was available to a Negro family that was moving into an area where Negroes had not lived before . . ."

DEDICATION COVERAGE

The coverage of the dedication activities by all the news media—local, national and international—was extensive. Within two weeks after the dedication, we received information from Africa that a full account was reported there over the Voice of America.

In addition to our local, state, and national press and the wire services, television networks ABC, CBS, and NBC, and radio stations WDNC, WLLE, WAAF, WSRC, and the Voice of America, and television stations WFMY, WRAL, WSOC, WTVD and WUNC gave it coverage.

State Senator Voit Gilmore referred to the dedication as "a high point in North Carolina history."

The favorably projected images of the Company and the Durham community by the dedication activities have facilitated bringing new tenants to the Company and to the community, with others to follow. At this point, I wish to publicly thank the Durham Chamber of Commerce, and others, for their cooperation and efforts in our behalf.

A FAR CRY

It is a far cry from those early days in the Company's history to this day. It made it because resident in its was *The Power to Become*. One of God's greatest gifts to man is the power to become. And so today, the Company ranks in the upper 10%, in assets owned, of the more than 1500 legal reserve life insurance companies operating in the United States, even though it operates in only eleven states and the District of Columbia, and its operations heretofore have been more or less limited to the Negro race because of the mores, customs, and traditions of its territory. I am happy to say, however, that the picture is now changing. We have white policyholders right here in Durham, and some of our largest policyholders in the state are white.

FULL OF THE FAITH

For North Carolina Mutual to have been able not only to survive, but also to thrive for the past sixty-eight years, under some of the most adverse conditions and circumstances of any business, is a *tribute* to its successive generations of policyholders and management, and provides our greatest assurances as to its future possibilities. Its management recognizes that there are difficult times ahead and that many new adjustments will have to be made, but this is nothing new; and just as management has met successfully the challenges of the past, it will cope with the problems of the future. If necessary, it will again "make bricks without straw," and continue to convert obstacles into "stepping stones," for it is full of the faith that the dark past has taught us. And we face the future unafraid.

RETIREMENT OF TIMOTHY J. MURPHY

Mr. RIBICOFF. Mr. President, one of Connecticut's outstanding public servants has recently retired. Timothy J. Murphy, Jr., was the Commissioner of Public Works for the State of Connecticut. I appointed Tim Murphy to this most important post during my term as Governor. He was reappointed by Gov. John Dempsey. Mr. Murphy served the State and its people well and with distinction. The quality of his service is well explained in an editorial in the Hartford Courant of July 12, 1967. I ask unanimous consent that the editorial be printed in the RECORD at this point.

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

TIM MURPHY LEAVES THE STATE SERVICE

For the past 12 years that State Public Works Department has been under the watchful administration of Timothy J. Murphy, Jr., of Hartford. He came to the state service after more than 20 years with the Federal Government. Originally named by former Governor Abraham A. Ribicoff, Commissioner Murphy has been appointed and reappointed by Governor Dempsey.

A year or so ago, Tim Murphy, as everybody calls him, passed the word to the proper authorities that he would like to retire. He was urged to stay on until the administration could find a successor with qualifications and credentials as high as those Commissioner Murphy exhibited. Tuesday Governor Dempsey found his man—Charles L. Sweeney of Danbury, who served as Tim Murphy's deputy from 1955 to 1965.

A big, burly, hard-headed and hard-fisted man, Commissioner Murphy has served his state well in the dozen years he has been on the job. As Governor Dempsey succinctly put it in announcing Mr. Murphy's retirement on July 28, he has performed his job "in outstanding fashion." When Commissioner Murphy took over 12 years ago, the Public Works Department had $10 million in construction work. He leaves to Mr. Sweeney a department that has a $250-million con-

struction assignment in the fiscal year that began on July 1.

At 67, Tim Murphy can move into retirement with the appreciation of the state for a massive task well done.

THREAT TO U.S. SECURITY

Mr. FANNIN. Mr. President, I commend to the attention of the Senate an editorial from the Arizona Daily Star of Sunday, July 9, 1967, relating to recently negotiated treaties involving the Panama Canal. This editorial points out there is great danger in our recognition of Panama's sovereignty over the Canal Zone without the restriction in the existing treaty which specifically spells out the rights of the United States in the Canal Zone.

Although the details of the treaty have not been made public, as the editorial points out, reports which have leaked out show that the United States is pursuing almost the same course as that followed by the British in abdicating the Suez Canal.

I for one intend to carefully consider the effect of these treaties on this country's security and I hope that every Member of this body will do likewise.

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

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

SUEZ SETS A DANGEROUS PRECEDENT

(By William R. Mathews)

The people the world over are being given a practical demonstration of the astonishing value of great man-made waterways like the Suez Canal to the life of the world. The closing of the Suez by ships sunk during the Arab-Israeli War has held up delivery of American grain to India, while the British are preparing for a long siege imposed by the loss of the canal for oil tankers. Soviet supplies for North Vietnam have to be rerouted.

Moreover, the Egyptian threats to bar American and British shipping on the false charges of aiding Israel constitute another act where reckless and false charges can be used by an irresponsible proprietor of such a public waterway to harm those it hates.

This is a timely record that should receive the attention of Congress in Washington as well as the highest officials in the Executive establishment. As news continues to leak out about the new treaties being negotiated with the Republic of Panama, it appears more and more that Washington is following a diplomatic path similar to the one Britain followed in abdicating control of the Suez Canal.

First, we are allowing a treaty favorable to the interests of the entire world to be abrogated, by a new one that sets up a plan of dual management of the present Panama Canal, thus dividing responsibility. A second treaty will provide for surveying and building a sea-level canal across Panama. American military personnel will remain to protect the safety of both canals.

The British had troops protecting the Suez Canal. At the insistent demand of the government of Egypt, they were withdrawn a few years after the end of World War II. Next came July 26, 1956, when Nasser proclaimed the nationalization of the canal.

The monumental change that took place was the exercise of discrimination by the government of Egypt. The world stood by and allowed that to be done, to the extent of forbidding Israeli ships to use the canal. Now that precedent has been invoked against Britain and America on the basis of false charges!

The way has been opened for Panama to own and operate not only the present canal, but also the future sea-level one. By recognizing Panama's sovereign right, without the restrictions in the present treaty, which specifically recognize the sovereignty of the United States over the Canal Zone, we are opening a legal door to the Republic of Panama. She can order our troops out of her country, and apparently after the sea-level canal is built, own and control the present canal, and in time, the sea-level canal.

As sovereign over the two canals, she could bar the use of either canal by American warships. She would be free despite treaties to the contrary, to discriminate in any way she pleased. No one ever thought Nasser would do the things he has done!

This amounts to doing a lot of legalistic tinkering with a matter of supreme importance to the safety of our country. We exercise responsibility in seeing to it that ships of all nations can use the canal without any kind of discrimination. In time of war, only ships of enemy nations would be barred. All neutral ships would have unrestricted transit rights, just as they have had during past wars.

Will members of the Senate ratify two treaties whose effect is to abdicate gradually nearly all American control over these vital waterways?

U.S. DEFENSE CAPABILITY

Mr. BYRD of West Virginia. Mr. President, recently the American Security Council published an eye-opening pamphlet entitled "The Changing Strategic Military Balance, United States versus U.S.S.R." in which was outlined, from available nonclassified sources, the past, current, and likely future military postures of the world's two great superpowers.

The Council's conclusion was that while the United States will continue to have a numerical superiority in rockets and missiles, we will have fallen woefully behind in the total number of megatons of destructive power these missiles can deliver.

The Council also argued that the U.S.S.R. has taken a definite lead in the development and deployment of antiballistic missile system.

In a timely editorial, the Huntington, W. Va., Advertiser of July 15 has summed up this pamphlet and has urged that "the Government adopt whatever action is necessary to remove any doubt of our nuclear superiority."

The Advertiser also stated its belief that—

Expense alone should not be a deterrent to the development of a defense that could mean the difference between destruction and survival.

I would urge that every Senator read the Council's pamphlet as well as the Advertiser's editorial summation.

I ask unanimous consent that the editorial entitled "Two Vital Problems Raised on U.S. Defense Capability" be inserted in the RECORD.

There being no objection, the editorial was ordered inserted into the RECORD, as follows:

TWO VITAL PROBLEMS RAISED ON U.S. DEFENSE CAPABILITY

Two problems concerning the vital questions of whether this nation will become involved in a nuclear war and if it does, whether it could survive confront the United States public as well as officials.

The question of whether the nation's nuclear arsenal is sufficiently powerful to deter the Soviet Union from attack has been raised by the American Security Council, which includes some of the top retired military officers.

The council's report asserted that the United States will lose its lead in deliverable megatonnage power this year, and that by 1971 "it appears that a massive megatonnage gap will have developed" in favor of the Soviet Union.

Megatonnage is the term used to denote the power of a nuclear weapon. One megaton equals the explosive power of one million tons of TNT.

This new measure of the relative nuclear strength of the United States and the Soviet Union upsets the contention that we have superiority because we have a 3 to 1 margin in number of missiles.

It considers instead the explosive power of all the nuclear weapons of each country. On that basis the council, with the support of an imposing array of distinguished military men, contends that the United States is rapidly falling behind.

The contention was promptly denied by the Pentagon, which declared the United States has enough nuclear weapons to discourage any attack.

The council's report discussing megatonnage power also said the United States should deploy an antimissile system to knock down incoming bombs before they reached their target.

This problem, the second one involving national security and possible survival, has been discussed by top defense officials for many months.

Russia is said to have such a defense system already installed for some cities. Moscow has been approached by our government with proposals for a treaty against national deployment of antimissiles because of the tremendous expense involved.

Secretary of Defense Robert S. McNamara has taken the position the system would cost about $22 billion for only 50 cities, and this would leave 130 cities of 100,000 population or more unprotected.

He has further argued that a possible increase in enemy missiles would greatly decrease the system's value and that improvement in missiles might make the defense obsolete even before it was completed.

These and other considerations regarding both megatonnage power and missile defenses place highly complicated questions before those charged with maintaining national security.

The layman is at a loss to attempt an answer, but the average canny American will take the view that, as far as possible, the government should adopt whatever action is necessary to remove any doubt of our nuclear superiority.

By the same token he will feel that expense alone should not be a deterrent to the development of a defense that could mean the difference between destruction and survival.

DISILLUSIONMENT IN SOUTH VIETNAM

Mr. HARTKE. Mr. President, the Washington Post yesterday published a most revealing dispatch by its foreign service correspondent in Saigon, Richard Harwood. It is one which perceptively reveals the heart of our dilemma in South Vietnam. It does so by pointing up, and quoting specifically Vietnamese intellectual leaders to support the outlook, the disillusionment of those who should be

our allies when they look at our policy of backing the military junta candidates in the coming election.

Among those quoted is Father Thanh Lang, a Roman Catholic priest, who says that if our interest is only in some U.S. global policy objective rather than Vietnamese freedom—and many there believe such is the case—"then we will hate the United States."

Ton That Thien, the journalist whose English-language Vietnam Guardian was shut down 8 months ago for offending the Ky government, says we are failing because we support a government in which the people have no confidence, and therefore we are confronted with "a society that opposes the present policies in the only way it can—with passive resistance."

Others see the election as something we dreamed up to put a clean face on this regime so that the generals will be elected and we can say, "See, Vietnam has democracy now." Or they hold that the result of our support for the military leaders who are looting the country and have no support among the people will be a worse state than we now endure there: the result of electing Thieu and Ky will be that Vietnamese will do nothing and you will have to do the fighting and pay for the war.

In short, those who are the nonpolitical leaders of South Vietnam, the intellectuals devoted to a decent society, see little hope for the future in our actions, which include no protest on the spot, no opposition, to the persistent political censorship imposed by the government on all communications media in defiance of the constitution and the national election laws. Mr. President, we are sowing the wind by our continued support of an unpopular dictatorship. With its election almost a foregone conclusion, we may very well reap the whirlwind.

I ask unanimous consent that the article may appear in the RECORD in its entirety.

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

SAIGON INTELLIGENTSIA SOUR ON THE UNITED STATES, TOO

(By Richard Harwood)

SAIGON.—There are signs of growing disillusionment among the intellectuals of Saigon—poets, artists, teachers—over the nature and purposes of American policy in South Vietnam.

They are saying, with increasing bitterness, that the United States seems determined to perpetuate the political rule of the present military junta and to prevent the triumph of a liberal civilian government.

They are angry and dismayed at what they believe to be the indifference or helplessness of the United States Embassy toward the policies of thought control, censorship and political repression practiced by the Ky regime.

Many of them are convinced that the Americans are obsessed with making war to the exclusion of the social and economic reformation of Vietnamese society. As proof, they are quoting a recent statement by Secretary of State Dean Rusk that "more is at stake (in Vietnam) than self-determination for the South Vietnamese."

To the sensitive and emotional conversationalists in the coffee houses, the statement had unfortunate colonialist overtones.

BUYING HATRED

Father Thanh Lang, a liberal Roman Catholic priest, expressed the common misgivings the other day when he remarked: "If the United States is not really interested in our freedom, if it is only interested in keeping the war going to contain China or for some other global policy objective, then we will hate the United States."

These views may be representative of only a small and insignificant element in Vietnamese society. But Ton That Thien, a respected journalist and essayist who publishes in foreign periodicals the views he cannot publish in Saigon, believes that the intellectuals are expressing the mainstream of opinion in this divided and wounded country.

"If the policies of the United States and the government of Gen. Ky had popular support," he says, "it would be evident to all. The people of this country would raise the money and pay the taxes to support the war. The young men of the country would do the fighting against the enemy. The peasants in the countryside would not help the Vietcong and would supply the intelligence needed to eliminate them.

"But we in Vietnam are doing none of those things. You are paying for this war and this regime, not the Vietnamese. You are fighting this war with American troops, because the Vietnamese soldiers will not fight. The peasants are helping the Vietcong and they are not giving you the intelligence you want.

"You are confronted with a society that opposes the present policies in the only way it can—with passive resistance."

Thien, who has written for the New York Times Magazine and other major publications abroad, is anti-Communist and anti-Vietcong. He regards himself as a modern socialist in economic affairs. He edited the English-language newspaper Vietnam Guardian until it was shut down eight months ago for offending the Ky government.

His point of view is shared, with semantic variations, by other writers and teachers who are willing to talk to Americans. Some of them have been so alienated by the government and by the war that they have fallen into a state of apathetic cynicism, convinced that any dissent is not only hazardous but futile.

NOTHING TO US

Two young writers, for example, expressed with passion and great feeling the other day their desire for peace and their disgust with the American war policy. But when asked if they intended to support the "peace" candidate for President, Au Truong Thanh, they laughed and said they probably wouldn't vote.

The younger of the two, a teacher of English literature, explained his position this way:

"These elections mean nothing to us. This is something you Americans dreamed up to put a clean face on this regime. The generals will be elected and you will be able to say to the world, 'See Vietnam has democracy now.'

"Vietnam does not need a diversion like that. It would be better to spend the money this election will cost on something that will help the people."

Attitudes of that kind are reinforced daily by the military government's censorship and thought control policies and by the failure of the Americans to intervene.

Belated and vague "pro-Communist" charges filed by the national police against Thanh, the peace candidate who served until last year as a member of Premier Ky's cabinet, were met by silence at the American Embassy.

"Maybe he is a Communist," an American official said. But the Embassy refused to make any official statement about Thanh, who was an American favorite only a few months ago.

There has been no public protest by the Embassy of the persistent political censorship imposed by the government on all communications media in defiance of the constitution and the national election laws. Six weeks ago, newspapers were instructed by the government to publish no articles of an "antiwar" nature. As a result, there is no discussion of peace or peace negotiations in the mass media.

Serious writers—novelists, poets, essayists, scholars—operate under the same restrictions. No book, no magazine, no periodical and no advertisement, for that matter, can be published without government consent or censorship.

This has driven literary dissenters underground. They publish their heretical writings clandestinely, using mimeograph machines.

Some, like Thien, use foreign outlets because they are still hopeful of being able to influence the course of events in Vietnam through their impact on American and world opinion.

Thien is more open and dispassionate than many of his colleagues in rationalizing his dissent from the status quo.

"The Americans believe," he says, "that the army is the only strong and stable institution in this country which can govern and carry on the war. That may be true. But what they fail to realize is that the army is also the most loathed institution in our society. They are looting the country and they have no support among the people. If the Americans want Gen. Ky and these generals, that is their decision. But they should not expect us to fight for them. We will do nothing and you will have to do the fighting and pay for the war."

Thein has no illusions about the present willingness of North Vietnam or the Vietcong to negotiate a peace. But, he says, a civilian government must be installed to create the conditions under which peace will be possible—a greater degree of social justice, an end to governmental corruption and the building of respect for the government in Saigon. Then, says Thien, it may be possible for the United States and the Soviet Union to work out an agreement to end the war.

OUR ALTERNATIVES

"You have other alternatives, of course," he said. "You can pull out and the Communists will take over. You can invade North Vietnam, but then you will have to wonder what China will do. You can continue what you are doing, which will simply continue the political and military stalemate. But you can't win that way."

Thien is not hopeful of a civilian victory in the September elections. (He is supporting former Prime Minister Tran Van Huong, the last civilian to head a government here.)

Few intellectuals, in fact, see any possibility that Gens. Thieu and Ky can be defeated. They believe the army will control the voting. But beyond that, they believe the United States is determined that Thieu and Ky should not lose.

SENATOR BROOKE ADDRESSES THE NAACP

Mr. KENNEDY of Massachusetts. Mr. President, last week in Boston, the junior Senator from Massachusetts and I appeared at the 1967 National Convention of the National Association for the Advancement of Colored People, at which I had the privilege of presenting to Senator BROOKE the Spingarn Award, given annually for outstanding achievement by an American Negro.

In my brief remarks and those of Sen-

ator BROOKE, the message was the same. Measured against the inaction of the past, great progress has been made in the area of civil rights. Measured against the challenge of the future, however, this effort is but the first step.

To meet this challenge we must act on all fronts. Legislative action must be backed by administrative enforcement and encouraged by civic support.

Unless we continue to press forward, we shall fall short of our goal of insuring all Americans equal access to the fruits of America's past and an equal share in the promise of her future.

As an expression of our congratulations to Senator BROOKE on his receipt of the Spingarn Award, I ask that his speech be placed in the RECORD.

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

ADDRESS BY SENATOR EDWARD W. BROOKE, MASSACHUSETTS, AT THE 1967 NATIONAL CONVENTION OF THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE, WAR MEMORIAL AUDITORIUM, BOSTON, MASS.

It is particularly appropriate that the NAACP has chosen Boston, Massachusetts, for its 1967 Convention. Boston is the birthplace of America's freedom. It is also a city which has contributed some of the finest achievements in the struggle to secure equality for all of America's citizens. Here William Lloyd Garrison came to publish *The Liberator* and to stir the conscience of a nation. Here Frederick Douglass came to tell of the horrors of slavery. Here Crispus Attucks fell and Shardrach and Burns were rescued from the hands of slave owners and permitted to remain free men. From here Monroe Trotter sounded the rallying call of the new Negro who refused to submit to the control of white compromisers.

Massachusetts has pioneered in anti-discrimination legislation enacting the nation's first Fair Educational Practice Law and first Racial Imbalance Law.

Because the civil rights movement has achieved so many triumphs here, it is especially suitable that this convention should serve as a forum to review the past, analyze the present and chart a course for the future.

Many victories for the cause of civil rights have been won, many of them attributable directly to the work of the NAACP. Your decades of ceaseless labor have written themselves into the fabric of contemporary American history. You and the men and women who were your predecessors in this freedom movement have helped to change American society. The responsible narration and responsible promotion of plans for the improvement of relations between the Negro and white American within our society for over fifty years has largely been guided by your organization and the wisdom of such outstanding men as W.E.B. DuBois, James Weldon Johnson, Walter White and your present, inspired leader, Roy Wilkins. Unprecedented and unexcelled is the NAACP contribution to equal justice under law through the legal talent of distinguished constitutional lawyers, Thurgood Marshall, Robert Carter, Jack Greenberg and other NAACP attorneys throughout the nation. You have helped achieve for colored people what never could have been accomplished by courts or legislatures alone.

But the civil rights movement in the United States is not simply a movement for the advancement of colored people. It springs from the very essence of the concept of democracy in America. It is an attempt to fulfill the promises this nation made at the time of its birth to generations of Americans yet to be born. The civil rights movement is a bringing together of people with those promises and a testing of our belief in the principle on which those promises are founded: the belief in the worth and dignity of every individual and the promise that every individual would have the opportunity to develop his capacities to the fullest in a free society.

The civil rights movement awakened the nation to the fact that we were far from keeping the promises of America.

Into that gap between promise and performance walked the Negro schoolchildren, the women, the clergy, the old, the students, the committed, the makers of the second American Revolution.

The names Little Rock, Montgomery, Selma, Birmingham burned deep into the American conscience. When the history of this nation is reviewed, these times will stand among the most significant moments of courage and sacrifice in behalf of the rights and dignity of man. Whatever the events and problems which accompany us today, what has only so recently passed, should not be so soon forgotten.

But our focus is different in July of 1967 than it was in July of 1963. The names Watts, Hough, Roxbury, Buffalo have burned more literally and set more than the American conscience aflame.

We witness at this time the opposite of the national consensus of the early 1960's which resulted in the passage of the Civil Rights Act of 1964. At that time, the country was moved and stirred by the peaceful demonstrations of a people long deprived of the most elementary rights of free men. The national conscience was reached and reacted to the attacks perpetrated upon peaceful civil rights workers and demonstrators. Today, alarmed by riots and cries of Black Power, which have often meant violence, the mood of the nation is resistant to progress in civil rights, and bent toward protecting what is being threatened.

Many cannot realize that the federal legislation which has been adopted is simply a beginning. How much, the question is asked, is necessary to satisfy the demands of civil rights activists? A larger and larger block of Americans resent the fomenting of trouble and unrest in the name of civil rights when it appears, at least to them, that real progress has already been made. As a result, there is quickly developing in this country a reaction to the civil rights movement which appears to be a "punitive reaction."

I see this reaction reflected in the Congress of the United States. In 1966, Congress defeated proposed civil rights legislation. Last year's proposals, including the extremely important openhousing provisions, have been resubmitted in this session as the Civil Rights Act of 1967. The first session of the 90th Congress has now been in existence for more than 6 months, and no action of any kind has been taken on these proposals. In fact, the only so-called civil rights legislation which has made serious progress in the Congress, is a bill to make promoting a riot a federal crime.

Only the most optimistic civil rights advocates believe there is a chance that all—or even some—of the provisions of the 1967 Civil Rights Act will be adopted this year.

It cannot be denied that even in the absence of the recent violence and unrest, the passage of Civil Rights legislation would have been difficult. But a Congressman's willingness to face his responsibility to *all* of the American people is inhibited when he finds the majority of his constituents frightened and angered by riots or the threat of violence in his community.

I am not an advocate of Black Power. Nor do I believe that violence, bloodshed and the destruction of property will lead the Negro or any other minority to equality. The traditional objective of the civil rights movement has been the effective and impartial enforcement of the law. Riots and violence are the mortal enemies, not the servants, of the civil rights movement.

But summer or winter violence must not be used as an excuse for stopping the progress of the nation toward equality and justice for Negro Americans. The "punitive reaction" punishes not only the Negro community but the white community as well. A halt in progress in the field of civil rights means an end to the domestic tranquility to which all Americans are entitled. The social and economic factors which cause riots multiply in direct proportion to the preservation of the social, economic and psychological status quo in the Negro community. To stand still is to regress. The word "wait" engenders hate. If Congress, out of fear or anger continues to choose the path of inaction, racial violence in the United States will not only continue, it will recur with ever-increasing intensity. The lightning of violence will strike again and again.

It is not only the Congress which is immobilized. The Executive Branch of the Federal Government has failed to act with force and speed to implement the laws which are already on the books.

In the South the feeling is widespread that the traditional patterns of social injustice can be maintained. It is believed that those patterns will withstand the impact of federal civil rights laws because those laws have not been and will not be vigorously enforced. Many hope that the attention which has focused on civil rights will pass away, as the concern for reconstruction passed after the Civil War. They believe that white supremacists can hold on to their power and control in refusing Southern Negro citizens the enjoyment of their rights.

It is the responsibility of the federal government to enforce the laws and put an end to this illusion. This means the vigorous prosecution of individuals who interfere with or attempt to deprive citizens of their civil rights, especially where the state and local governments refuse to enforce the law.

It also means the enforcement of desegregation orders, not only in the South but in the North as well. This should be done by denying federal money to those localities which do not comply with the desegregation guidelines of the United States Office of Education.

The federal government must also take action to put its own house in order. It must put an end to the subsidizing of racial discrimination in areas where the federal government is an economic force.

Thousands of servicemen live in housing around military bases. Yet, for many years, the Department of Defense took no action to alter the practice of discrimination and segregation which denies adequate off-base housing to Negro personnel in the armed forces.

The Department of Defense is well aware of the problem and has issued policy statements in opposition to such discriminatory practices. But the Pentagon limited itself to the issuance of a directive which provided for a nationwide housing census to determine the extent of discrimination against Negro servicemen. In addition, the Pentagon reasserted earlier policy requiring solely that military bases refrain from listing off-base accommodations which are not open to Negroes.

The Department continually rejected a simple, workable solution which would quickly solve most of the problems. When the base commanders declare that all accommodations not open to Negro servicemen are off-limits to all servicemen—then results will begin. This kind of economic pressure works because it makes discrimination expensive. It is my understanding that the Department has agreed to try this ap-

proach in only two areas. Such a policy should be applied immediately to all defense installations in the United States.

The economic force of the federal government can also be used to compel responsiveness to policies of fair housing and fair employment where federal largess is bestowed on industry and local communities.

The federal government should not condone racial discrimination by rewarding it with federal grants. Weston, Illinois, should not benefit from a multi-million dollar atomic installation when it is unwilling to open community housing to Negro citizens who will live and work there.

Federal defense contracts should not go to industries which refuse to employ Negroes, nor benefit labor unions which refuse to train or open their membership to Negroes.

It is the exercise of the economic power of the federal government which will demonstrate the true commitment of the present Administration to progress in guaranteeing equal rights and opportunities. The federal government should put its money where the principles and guarantees of the Constitution and the laws are respected.

Those of us who serve in the Congress have a duty to lead, not simply to follow public reaction. We must do more than mirror the present fears and antagonisms of the electorate. We must do what we believe to be legally and morally right. The Negro community has been petitioning the United States Government for a redress of grievances for more than 100 years. It is time, *it is past time,* that the petition be granted.

The federal legislation which is necessary to implement constitutional guarantees of equality should not be passed simply because there has been a demonstration. Nor should such legislation be rejected because there has been a riot. These laws should be passed because they are just. They should be passed because they are necessary to the well-being of this nation's people. There are few demonstrators. There are fewer rioters. But there are many in the United States who do not have the basic rights which rightfully belong to every American citizen.

Many who are denied those basic rights are serving this nation in Vietnam. Before a member of the Congress casts a "nay" vote for the Civil Rights Act of 1967, he should write to his Negro constituents in Vietnam explaining why the federal government cannot assure them the right to live where they choose, or why racial unrest in their community makes it politically inopportune to vote for civil rights legislation at this time.

I have said that the focus of the civil rights movement in July of 1967 is different from that of July, 1963. The energy and direction in the early years was concentrated on guaranteeing basic civil rights.

But the issues in Selma and Birmingham are not the issues in Watts or Hough. The problems are different. The problems of Watts and Hough are the problems of the urban Negro poor.

Seventy-five percent of the Negro population lives in cities. One half of the Negro population is poor. That means that one out of every two Negro citizens is denied "the minimal levels of health, housing, food and education that our present state of scientific knowledge specifies for life as it is now lived in the United States."

Guaranteeing the right of a Negro to be served at an integrated lunch counter is of little significance to a man who is unemployed and unable to adequately feed his family.

Assuring education in an integrated school will accomplish little if the school still follows a pattern of internal segregation. We must achieve more than merely technical compliance with the laws requiring integration in public schools. We should seek integration which is "de facto," not simply "de jure." We should make certain that Negro children in the public schools at all times receive the same quality of education which is available to white children.

The power of the Negro vote in northern cities is dissipated and fragmented if, because of gerrymandering, Negroes are unable to achieve representation consistent with their numbers. This further denies the Negro minority the ability to obtain responsiveness to its needs through the political process.

In many cities, little is done to deal with the legitimate grievances of the Negro population. As a result, activists turn increasingly to violence in reaction to community indifference. In turn, the community, angered by and fearful of the demands which have been made, becomes even more insensitive to the problems confronted by the Negro and even more reluctant to provide meaningful solutions for them. Much of the responsibility for this frustrating stand-off must be borne by state and local governments.

The recent unrest in the Roxbury section of this City of Boston provides an excellent example. Roxbury is a section which I know well. I lived there for many years. Until this summer, Boston had not been troubled by the violence which recently has been associated with the civil rights movement. Many thought that Boston would again avoid the summer unrest which has characterized so many of the nation's cities.

Roxbury is not Watts or Hough or Harlem. But it has many of the problems of the ghetto. It is overcrowded. Landlords have continually violated the city's building, health and safety codes with impunity. As a result, property values have deteriorated. Trash and garbage collection has been poor. Vehicles are abandoned, and the city makes no effort to remove them from the streets. In many respects, Roxbury has been a stepchild, forgotten by the city government.

The residents of Roxbury have been represented by responsible leadership—Mrs. Melnea Cass, Mrs. Florence Le Seuer, Lionel Lindsay, Herbert Tucker, Kenneth Guscott, to name but a few. They took the problems of the Negro community to City Hall. But municipal officials rarely responded to the legitimate and reasonable requests of the responsible leadership. Eventually and inevitably, militant leadership emerged, and attacked what they called the "gradualism" of the traditional leaders. They argued with validity that years of moderation had achieved few substantive gains. Gradualism was no longer enough.

Last summer, a group of Roxbury citizens, tired of waiting, carried the garbage and trash which had been left upon the streets of Roxbury to the steps of City Hall. There it was burned. This was followed by an ultimatum and a threat of mass trash and garbage burning in Roxbury which could have led to rioting. The city administration immediately reacted. Scores of workers and trucks were rushed into Roxbury and within a few days Roxbury was cleaned up. City government, after failing to respond to years of *moderate* leadership, finally responded to *militant* leadership.

Since militancy had been successful once, it was predictable that militancy would be tried again. Last year, the Mothers for Adequate Welfare, (a group with justifiable grievances concerned mostly with inadequate welfare payments and undesirable practices by the city's welfare departments) alerted state and municipal officials to their problems. A year passed. Nothing was done. It was inevitable that the organization would then select the militant path which had worked before. A tragic chain of events then led to the riot which everyone had hoped to avoid.

Unfortunately the Roxbury case is not an isolated example. Throughout the nation, state and local governments have tended to react to militant demands rather than to moderate requests. As a result, more and more Negroes have come to believe that progress is possible only through militant action, that moderation has failed to accomplish enough to satisfy the objectives of the civil rights movement.

For the most part, state and local governments have been extremely shortsighted. They have failed to provide the most elementary services for the Negro communities within their borders. Legitimate grievances are legion. Action to eliminate them lags. A disgruntled and potentially revoluntionary class grows at a record pace. The public officials who most deplore the rise of militant civil rights leadership are often its unwitting partners. Each time that extremism compels a state or municipal government to take long overdue and desirable and necessary action upon grievances, moderation suffers another defeat in the eyes of the Negro community.

The answer to extremism is clear. Government at all levels must respond to the legitimate requests of responsible civil rights leadership. Black power is a response to white irresponsibility. The Lemberg Center for the Study of Violence at Brandeis University has, in a report released only two weeks ago, concluded that the key factor in determining a community's susceptibility to racial violence is the attitude, as the Negro community understands it, of the municipal government toward the subject of integration and toward increased opportunities for Negro citizens.

I think that state and local governments have a clearly defined choice. They can continue to ignore moderate requests for reasonable governmental action submitted by responsible members of the Negro community. Or, they can recognize that their responsibility extends to *all* parts of the state or the municipality, thus enlarging the scope of governmental action to include many who have traditionally been deprived of the most elementary forms of public service. The failure to respond to responsible requests means the promotion of militancy. It is an invitation to violence. But constructive action can be the beginning of a society which has seen the end of racial violence because every man receives an equal share of the attention of his government.

The civil rights organization must continue to be the vehicle for the assertion of the legitimate claims of Negro citizens, not only at all levels of government, but within the private segments of the community which are not yet partners in progress toward human rights. If the civil rights organization is to be a functioning and effective vehicle for moving this country forward, it must draw its strength, as it has in the past, from every part of the American society which recognizes the justness and importance of its cause. This is not simply a Negro movement. It is an American movement for the attainment of an American ideal. And it encompasses the commitment, the efforts and energy of Negro Americans and white Americans alike. Any effort to exclude white Americans from the prosecution of this cause is first, a betrayal of the most profound beliefs and principles of the movement itself, and secondly, a barrier to its ultimate success.

Who would be so foolish to think that an end to discrimination, the creation of jobs, housing, the provision of better education, the survival and overall success of the civil rights movement can be achieved by Negroes without the cooperation, the active support and good will of the white community? Even if Negroes could isolate themselves and achieve their goals separated from whites, who, as an American, would welcome such a sterile victory? The symbol of the Congress of Racial Equality has always been a black and white hand extended and embracing one another. I support that symbol and its significance. It, and all it implies and prom-

ises, is the only meaningful goal of the civil rights movement in this nation. It is the commitment to that goal which brought forth men such as the namesake of the award which you bestow upon me tonight. And it is the commitment to that goal which engages men such as your dedicated President, Kivie Kaplan, in the continuation of this effort. Their commitment, and that of thousands of other white Americans, is not merely one of sympathy. It is a commitment not to a race, but to the principles upon which this nation was founded. They are working to keep promises that were made, not only to others, but to themselves. We must never accept and get bogged down with a division between Negro and white within the civil rights movement. We must give our full attention to the unfinished business which is still on the civil rights agenda.

It is somewhat ironic, but I think true, that the existence of the civil rights movement is both an affirmation and an indictment of what we believe about America and about ourselves as Americans.

The movement exists because of the lag between what was promised nearly two centuries ago, and what is actually accorded to Negro Americans in terms of their rights, dignity and the opportunity to lead significant lives.

Peaceful progress has been made toward that ideal because of an American system which allows for change. But no thinking American can take comfort from that fact and counsel patience because some progress has been made. What the civil rights movement seeks is the promise of *today*, not the hope of tomorrow.

For the one Negro who is elevated to the highest court in the land, there are thousands of Negroes who are denied the protection of laws which have been interpreted by that court.

For every celebrated Negro educator, there are thousands of Negroes who are denied the basic education to equip them for life in a technological society.

For the one Negro who serves as Secretary of Housing, there are thousands who must tolerate dilapidated, inadequate and overcrowded housing conditions.

For every Negro writer or artist, there are thousands who will never have the opportunity to develop their talents and their potential for creativity.

For the one Negro in the United States Senate, there are thousands who are locked out of the political process and whose right to vote is exercised at the peril of their lives or livelihood.

This is the indictment of America, and its sad loss. The potential for greatness of this country has, for more than a century, been diminished by a system which denies citizens the opportunity to enrich their nation as well as fulfill their own capabilities.

The cause of civil rights moves forward in the deepest interests of America and its people. It is a profound affirmation of all that we are and all that we hope to become.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RAILROAD LABOR DISPUTE—CONFERENCE REPORT

Mr. YARBOROUGH. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (S.J. Res. 81) to provide for the settlement of the labor dispute between certain carriers by railroad and certain of their employees. I ask unanimous consent for the present consideration of the report.

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

The legislative clerk read the report. (For conference report, see House proceedings of today, p. 19037.)

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

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

Mr. YARBOROUGH obtained the floor.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield to the Senator from Louisiana.

UNANIMOUS-CONSENT AGREEMENT

Mr. LONG of Louisiana. I ask unanimous consent that during the consideration of the conference report on Senate Joint Resolution 81, to provide for the settlement of the labor dispute between certain carriers by railroad and certain of their employees, the time for debate on the adoption of the report be limited to 10 minutes, to be controlled by the Senator from Texas [Mr. YARBOROUGH]. Provided, that debate on any motion to concur in the House amendment with an amendment be limited to 1 hour to be equally divided and controlled by the Senator from Oregon [Mr. MORSE] and the Senator from Texas [Mr. YARBOROUGH], and that debate on each amendment thereto be limited to 1 hour to be equally divided and controlled by the proponent of such amendment and the Senator from Oregon [Mr. MORSE].

Provided further, that on the final question of concurrence in the House amendment, with amendment, if there be any, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the majority and minority leaders: Provided, that the said leaders, or either of them, may, from the time under their control on the adoption of the motion to concur, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, reserving the right to object, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. JAVITS. I just want to be sure on one point. We have all agreed to this, but I do not think it is actually carried out by what the Senator said, unless the parliamentary procedure dictated by the Parliamentarian makes it a little obscure.

As I understand it, there are going to be three moves. One will be by the Senator from Texas. I heard that referred to. The other will be by the Senator from Oregon. I heard that referred to. The other one will be by myself and the Senator from Michigan [Mr. GRIFFIN]. I did not hear that referred to.

Mr. LONG of Louisiana. That was referred to. There will be an hour on the first amendment. The mover of that motion would have control of the time. Then there is another hour on another motion.

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

Mr. LONG of Louisiana. I yield.

Mr. MORSE. I would like the attention of the majority and minority leaders and the Senator from New York. I want to be careful that I do not waive any parliamentary rights by the unanimous-consent agreement.

Mr. MANSFIELD. Not at all.

Mr. MORSE. My question is directed to the Parliamentarian. Suppose I agree to the unanimous-consent agreement and then Senator X offers a request that the Senate accept the House resolution. Would I in any way be estopped from offering a substitute to that proposal or offering a resolution that I propose to offer to the Senate in behalf of those of us who oppose the House resolution?

Mr. LONG of Louisiana. No. The Senator would have his rights. Of course, his amendment would be also subject to the limitation.

Mr. MORSE. I do not mind that. I want to be certain that the Senate will have an opportunity to vote on an amended House version that the Senator from Oregon will offer.

Mr. LONG of Louisiana. Yes.

Mr. MORSE. I have no objection.

Mr. JAVITS. Mr. President, I want to be certain we are set. As I understand it, when the Senator from Oregon moves as he just stated he would, that motion is subject to amendment. As we propose to oppose that move, I want to be sure that the Senator from Michigan [Mr. GRIFFIN] and I can do so in accordance with that procedure.

The PRESIDING OFFICER. The time on the motion must be utilized by the Senator from Oregon before the Senator can offer his amendment.

Mr. JAVITS. Mr. President, did the Senator from Oregon hear that?

Mr. MORSE. No.

Mr. JAVITS. The Chair stated that the Senator from Oregon will have to use the time upon his substitute before we can introduce our amendment.

Mr. MORSE. I understand.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement? If not, it is agreed to.

The Senator from Texas has the floor.

The unanimous-consent agreement, later reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That during the consideration of the conference report on S.J. Res. 81, to provide for the settlement of the labor dispute between certain carriers by railroad and certain of their employees, the time for debate on the adoption of the report be limited to 10 minutes to be controlled by the Senator from Texas [Mr. YARBOROUGH]. *Provided,* That debate on any motion to concur in the House amendment with an amendment be limited to 1 hour to be equally divided and controlled by the Senator from Oregon [Mr. MORSE] and the Senator from Texas [Mr. YARBOROUGH], and that debate on each amendment thereto be limited to 1 hour to be equally divided and controlled by the proposer of such amendment and the Senator from Oregon [Mr. MORSE].

Provided further, That on the final question of concurrence in the House amend-

ment, with amendment, if there be any, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the adoption of the motion to concur, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. LONG of Louisiana. Mr. President, will the Senator yield, preserving his right to the floor?

Mr. YARBOROUGH. Mr. President, preserving my right to the floor, I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. I ask unanimous consent that I may suggest the absence of a quorum without its counting against any Senator's time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 190 Leg.]

Aiken	Hartke	Morse
Allott	Hatfield	Morton
Baker	Hayden	Moss
Bartlett	Hickenlooper	Mundt
Bayh	Hill	Murphy
Bennett	Holland	Muskie
Bible	Hollings	Nelson
Boggs	Hruska	Pastore
Brooke	Inouye	Pearson
Burdick	Jackson	Pell
Byrd, Va.	Javits	Percy
Byrd, W. Va.	Jordan, N.C.	Prouty
Cannon	Jordan, Idaho	Proxmire
Carlson	Kennedy, Mass.	Randolph
Church	Kennedy, N.Y.	Ribicoff
Clark	Kuchel	Russell
Cooper	Lausche	Scott
Cotton	Long, Mo.	Smathers
Dirksen	Long, La.	Smith
Dodd	Magnuson	Sparkman
Dominick	Mansfield	Spong
Ellender	McCarthy	Stennis
Ervin	McClellan	Symington
Fannin	McGee	Thurmond
Fong	McGovern	Tydings
Gore	McIntyre	Williams, N.J.
Griffin	Miller	Williams, Del.
Hansen	Mondale	Yarborough
Harris	Monroney	Young, N. Dak.
Hart	Montoya	

Mr. LONG of Louisiana. I announce that the Senator from Alaska [Mr. GRUENING] and the Senator from Ohio [Mr. YOUNG] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Montana [Mr. METCALF], the Senator from Georgia [Mr. TALMADGE], and the Senator from Maryland [Mr. BREWSTER] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from New Jersey [Mr. CASE] is absent on official business.

The Senator from Nebraska [Mr. CURTIS] is absent because of the death of his daughter.

The Senator from Texas [Mr. TOWER] is necessarily absent.

The PRESIDING OFFICER. A quorum is present.

The Senator from Texas has the floor.

Mr. MANSFIELD. Mr. President, has any business intervened since the last quorum call?

The PRESIDING OFFICER. No business has intervened.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The Senator from Texas has the floor.

Mr. YARBOROUGH. Mr. President, I yield myself 5 minutes on the conference report.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. YARBOROUGH. Mr. President, I move that the Senate agree to the conference report which is at the clerk's desk. The report has been unanimously agreed to by the 11 Senate conferees.

Mr. President, the Senate on June 7 passed Senate Joint Resolution 81, authored by the senior Senator from Oregon [Mr. MORSE] and others. That resolution went to House.

The resolution was amended in the House, and on the 15th day of June, the House of Representatives passed an amended resolution in the nature of a substitute for Senate Joint Resolution 81.

On the 21st day of June, the Senate disagreed to the House amendments to the Senate joint resolution and asked for the appointment of conferees.

The House of Representatives agreed with that action on the 22d of June. Conferees were appointed by the two Houses on the 21st and 22d days of June.

The conferees worked out joint agreements for the time of committee meetings.

The chairman of the House conferees is Representative HARLEY O. STAGGERS, of West Virginia. There are 10 House conferees.

The conferees met in long sessions on the 26th, 27th, and 28th of June. Having been unable to agree on any of the various compromise proposals offered in those three sessions, the conferees agreed on the 28th day of June to recess until July 11.

We again met in long sessions on the 11th, 12th, and 13th of July.

Many proposals were advanced by both sides. Some came within one vote of acceptance.

Last Thursday night, July 13, after we had been in session until after 8 o'clock, we recessed until this afternoon at 3 o'clock.

Having received notice through many news media and other sources personally over the weekend of many work stoppages, the chairman of the House conferees, Representative STAGGERS and I agreed yesterday morning—after I had called Representative STAGGERS in West Virginia yesterday morning—to meet in conference at 10 o'clock this morning rather than at 3 o'clock this afternoon.

I commend the 11 Senate conferees for their faithfulness to duty. I have been in a good many conferences between the House of Representatives and the Senate in my 10 years in the Senate.

I have never seen a conference that was attended as faithfully by so many Senate conferees. The names of the Senate conferees are already included in the RECORD and are signed on the report. I thank each of them.

In order to attend the conference this morning, the senior Senator from New York [Mr. JAVITS], and the junior Senator from New York [Mr. KENNEDY] flew in from New York.

The distinguished Senator from West Virginia [Mr. RANDOLPH], returned to the Capitol this morning to be present for our conference committee meeting. Senator RANDOLPH, chairman of the Public Works Committee, and its Subcommittee on Roads, had been in the Republic of Panama for the celebration this past weekend symbolizing the final completion of construction of the Inter-American Highway in that country.

He canceled his appointments there and flew back last night in order to be present.

The Senator from New Jersey [Mr. WILLIAMS] was a little late in attending the conference because he was traveling by rail and was delayed by the work stoppage.

As a result of our conferences, the work stoppages, and the urgency of having action, the conferees of both Houses, after having endeavored for a long time to compromise on different proposals, have agreed that they cannot reach an agreement on the proposed bill within the time limits imposed by the situation. There is a substantial agreement that the trains are not running, although there is considerable dispute as to whether the major portion of the work stoppage comes as a result of a strike, or of a lockout.

The members of the conference committee each received a telegram this morning from Donald S. Beattie, executive secretary-treasurer of the Railway Labor Executives' Association, under date of July 17.

The telegram is addressed to me as chairman of the Senate conferees and to the Honorable HARLEY O. STAGGERS as chairman of the House conferees.

It reads as follows:

HON. RALPH YARBOROUGH,
U.S. Senate,
Washington, D.C.
HON. HARLEY O. STAGGERS,
U.S. House of Representatives,
Washington, D.C.:

You should know that major non-struck railroads have shut down all services and locked out their employees in a concerted effort to spread yesterday's local strikes on some railroads into a national shutdown and thereby stampede Congress into enacting compulsory arbitration. Railroads participating in this lockout as of 12:01 a.m. Monday included *the Pennsylvania, New York Central, New Haven and Erie-Lackawanna.* Others may have joined in locking out their employees by the time this telegram reaches you.

DONALD S. BEATTIE,
Executive Secretary-Treasurer, RLEA.

Telegram to be sent also to the following:

Senate.—Wayne Morse, Jennings Randolph, Claiborne Pell, Gaylord Nelson, Robert Kennedy, Harrison Williams, Jacob Javits, Winston Prouty, Paul J. Fannin, Robert P. Griffin.

House.—Samuel Friedel, John Dingell, J. J. Pickle, Daniel Ronan, Brock Adams, Samuel

Devine, Glenn Cunningham, Dan Kuykendall, William Springer.

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

Mr. YARBOROUGH. Mr. President, I yield myself 1 additional minute.

The PRESIDING OFFICER. The Senator from Texas is recognized for 1 additional minute.

Mr. YARBOROUGH. Mr. President, prior to the receipt of this telegram we had received similar information orally from people who are not members of any of the shop craft unions involved in the strike. These are people whom I have known for many years and in whose credibility I place great trust. I repeat that they are not members of any of the involved shop craft unions.

In any event there no longer appears time to continue our discussions with the House conferees, and we have returned to the Senate.

In the light of the unanimous action on the part of the conferees in certifying their disagreement, I move that the Senate agree to the conference report.

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time?

Mr. YARBOROUGH. I understand that I am to have 10 minutes, 5 minutes on this motion and 5 minutes on another motion that I shall make.

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

The Senator from Oregon is recognized.

The question is on the adoption of the conference report.

Mr. MORSE. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. Will the Senator suspend? There is no time——

Mr. MORSE. Mr. President, I wish to speak briefly on the motion of the Senator from Texas.

The PRESIDING OFFICER. There is no time at this time, other than——

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Oregon may have 5 minutes.

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

Mr. MORSE. I wish to commend the chairman of the Senate conferees, the Senator from Texas [Mr. YARBOROUGH] for the very fair consideration that he gave to the Senate conferees and the House conferees throughout the long conference. What I say about him applies also to the chairman of the full conference, who is also chairman of the House conferees, Representative STAGGERS, of West Virginia.

The majority of the Senate conferees took the position that we cannot very well compromise finality, so that the controlling question at all times is whether or not we were going to have an end to this controversy at the end of the 90-day period. The majority of us held fast to the point of view that there should be finality, and that, more than anything else, is responsible for the action that was taken this morning.

Of course, another factor must not be overlooked—that some of the railway employees went out on strike. There is no question about that record. Not all railway employees went out on strike. In fact, as I said in conference this morning, it is well known that the initial walkout was the walkout of only one union. But, of course, no self-respecting union man or woman is going to walk through a good-faith picket line.

I know something about the law in regard to legitimate picket lines, because back in 1939 I wrote what is still the controlling decision in arbitration law in this country as to the differences between a legitimate and an illegitimate picket line. That was the decision in which I held, for the first time in American labor arbitration law, that every employer who signs a collective bargaining agreement knows that there is an implied condition in that agreement—namely, that no member of organized labor is going to go through a legitimate picket line of a sister union.

Mr. President, I make this additional comment on what my chairman has said: This morning the Senate conferees voted on nothing except my motion that the Senate conferees stand in disagreement and report the disagreement to the Senate, which is now the pending motion. I took that position for two reasons: First, I thought it was obvious that we were deadlocked over the matter of finality; second, I took the position that once this strike started, after all, the workers entered the conference.

We had sent them a message, asking for no economic action pending the determination of the matter by Congress. Therefore, if we proceeded, it was my position that we would be proceeding with a strike gun at our head, and, in my judgment, the conferees on the Senate side should not place themselves in that position.

In all my work in 32 years on labor disputes, either as an arbitrator or as a mediator, I have followed one rule, and I do not see how you can ever make an exception to that rule: When there was a strike, I took the position that we would go back to work before the arbitrator or the mediator would take jurisdiction. That was the position during World War II, also. That was the position the War Labor Board took. Therefore, in my judgment, conferees in a sense were mediators this morning, had they been willing to take jurisdiction. I made the motion that we stand in disagreement. I believe the Senate now should adopt the motion made by the Senator from Texas.

The PRESIDING OFFICER. The question is on the adoption of the conference report.

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

Mr. MORSE. I ask unanimous consent that the Senator from New York be allowed 2 minutes.

Mr. JAVITS. I shall only require 30 seconds.

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

Mr. JAVITS. I believe it is proper for the minority to state that it, too, concluded that we could get nowhere; and I believe that the reasons given by the Senator from Oregon as to his own view, with respect to not having the conference act because the employees were on strike, are reasons personal to him. They may and may not be shared by other members of the conference. I do not believe he stated them or intended them to be understood any other way.

But as to the ultimate point that we must come out in disagreement, so that the Senate can act promptly and send whatever it chooses to act upon to the House, there can be no question; and I, therefore, join with Senator MORSE and Senator YARBOROUGH in asking for an affirmative vote.

The PRESIDING OFFICER. The question is on the adoption of the conference report.

The conference report was agreed to.

Mr. YARBOROUGH. Mr. President——

Mr. MANSFIELD. Mr. President, will the Senator yield to me on the conference report?

Mr. MORSE. Will the Senator from Texas yield to permit me to yield to the Senator from Montana?

Mr. YARBOROUGH. I yield.

Mr. MORSE. I yield to the majority leader such time as he wishes.

Mr. MANSFIELD. Mr. President, when the leadership and the appropriate members of the Labor Committees of both Houses met with the President yesterday, I asked him to send me a letter setting forth his views on the situation as it existed then. About a half hour ago, I received a letter from the President, which reads as follows:

THE WHITE HOUSE,
Washington, July 17, 1967.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: I am sending this letter to you in response to your request for a review of the meeting we had yesterday and the current rail strike situation.

In the early hours of Sunday morning, the threat of a railroad strike became a grim reality. Affecting first the west and midwest, the strike has now spread throughout the entire country, snarling our lines of commerce and leaving chaos and confusion in its wake.

By noon today, the Secretary of Transportation informs me that 80 to 90 percent of the Nation's rail lines will be down. By tonight, the stoppage will be total and rail paralysis will be complete.

As this crisis unfolded, the Secretaries of Defense, Transportation and Labor, the Attorney General and I met yesterday afternoon with the bipartisan Congressional Leadership and the Chairman and ranking majority and minority members of the appropriate Congressional committees. We discussed the action that must be taken to end the ruinous strike and to resolve finally the underlying dispute.

The consequences of the day-old strike—the first nation-wide railroad strike in over 20 years and only the second in the last 45 years—are already becoming clear to every American:

This morning, hundreds of thousands of commuters found it difficult or impossible to get to their jobs.

400,000 carloads of freight have already been stranded.

Shipments of fresh vegetables, meats and other perishable foods have already been halted.

Mail deliveries of packages and parcels, magazines and newspapers, have already been embargoed by the Post Office.

Secretary McNamara has reported the strike is having "an immediate impact on the movement of ammunition and heavy equipment to Ports of Embarkation for Vietnam. Ammunition cars—a thousand each week—must move without interruption to support our fighting men in Vietnam."

Every minute and every hour the strike continues will create ever-increasing damage to our economic well-being and America's national security.

The Nation has been more than patient.

The dispute is more than a year old. The parties have attempted unsuccessfully to reach agreement among themselves. Three labor boards have worked diligently and skillfully with the parties:

The National Mediation Board, chaired by Francis O'Neill, the most experienced member of the Board.

A Railway Labor Act Emergency Board headed by David Ginsburg, a distinguished Washington attorney, with Frank Duggan, Professor of Law at Georgetown University and John W. McConnell, President of the University of New Hampshire, as members.

The Special Panel appointed by the President, chaired by Judge Charles Fahy, with Dr. John Dunlop of Harvard and Dr. George Taylor of the University of Pennsylvania as members.

Despite the efforts of these three Boards, the parties to this dispute have been unable to come to an agreement. In each case, the union rejected the recommendations of the Board.

During the current round of railroad contract negotiation, over 500,000 union members—some 80% of the industry—have settled their differences with management through the processes of free collective bargaining. What then can we say of this shopcraft dispute?

We are witnessing, in this strike, a complete breakdown of private responsibility.

No man and no institution can stand above the American people and our men in uniform defending our country around the world.

There comes a time when the public interest must be paramount over private interests. That time is now.

On April 10th, with all the legal machinery available to a President exhausted and with a nationwide strike imminent, I asked the Congress to extend the no-strike period in this case for 20 more days to keep the parties talking in the hope that a solution could be found and a disastrous strike avoided.

On April 28, I again asked the Congress to extend the no-strike period, this time for 47 more days, while the parties searched for a solution.

Congress promptly and favorably responded to both of these requests.

On May 4th, after three boards had worked with the parties and after almost a year of negotiation, I submitted a recommendation to the Congress to resolve this protracted dispute fairly and finally. That was 75 days ago. This recommendation was shaped by the most experienced and skilled labor advisors available to a President. We were all determined to treat both labor and management fairly. The recommendation was drawn from the procedures and experience of the War Labor Board which settled hundreds of labor disputes. It was designed to provide a just settlement for the working man and for the railroads, based on the record made by the parties themselves.

The Senate accepted the Administration's proposal, by a vote of 70–15, while the House struck from its bill that portion which would insure a final resolution to the dispute.

This case has moved slowly through Summer and Fall, Winter and Spring—and still another Summer—while the parties unsuccessfully tried to reach final agreement. Now the Nation is gripped by a crippling strike, but the parties are no closer to a solution than they were over a year ago.

Simply extending the no-strike period is a prescription without a cure. It will only postpone the day of settlement—already postponed for more than a year—for in 90 days the Nation and its fighting men will be faced again with the prospect of another crippling strike.

The parties to this dispute have tried to reach agreement and failed. Boards and Panels have tried and failed. Congressional Chairmen and members of the Congress, the Secretary of Labor and many other public officials have tried and failed. We are faced with a national crisis. The public interest must take precedence over private interests. The power to act now rests with the Congress.

As a prominent legislator commented yesterday "We have had a year of talk. It is time for action". I share that view. I believe the American people share that view.

I therefore appeal to you to act swiftly on the proposal overwhelmingly passed by the Senate because of the urgent need to end the work stoppage and to resolve finally the dispute in the interests of the security, health and safety of America.

I assure you if the Congress will promptly and finally act, I will immediately appoint a blue ribbon board—with understanding of both labor and management, but subservient to neither and I feel confident this dispute can be resolved with dispatch and with justice to all.

Sincerely,

LYNDON B. JOHNSON.

I thank the Senator.

Mr. YARBOROUGH. Mr. President, I yield myself my remaining time, which is about 4½ minutes.

I move that the Senate concur in the House amendment of Senate Joint Resolution 81.

Basically, the House amendment is Senate Joint Resolution 81 with compulsory arbitration taken out. Senators have the House proposal before them and it is a part of the record. Therefore, I shall not use my time to read it.

I wish to point out that the Senate has never had an opportunity to vote on whether or not we will accept the House amendment, and I am only asking for a vote.

I think we should know what is before us. The basic difference between Senate Joint Resolution 81 and the House amendment is that Senate Joint Resolution 81 provides for compulsory arbitration, which destroys free collective bargaining. The House sets up a procedure for not enforcing compulsory arbitration and not destroying free collective bargaining. The House bill preserves the procedure of mediation set out in the Senate bill, but it does not enforce finality or compulsory arbitration.

Mr. President, I agree with the letter from the President which the distinguished majority leader has just read. The time to act is today. We should act today. We have an emergency in connection with the mail, the delivery of perishable goods, and most of all, we have an emergency in connection with materiel that we are sending to Vietnam. We should have a vote today.

I have agreed to this time limitation to show my good intention. I do not want delay; I want a vote. I appeal to the senior Senator from Oregon [Mr. MORSE] to let us vote on this matter. I agreed to use only 4½ minutes, and I hope that the Senator will vote on the House version. It would not take long for us to vote. It would only take 3 or 4 minutes. I agree we should act today. I agree with the President's letter.

Mr. President, there is a nationwide emergency but that does not mean we have to adopt compulsory arbitration. If we were to adopt the House resolution, we would not have to wade through hours of debate. The legislation could be passed in 10 minutes if we were to adopt the House version. The measure could be on the President's desk before 2 o'clock, if we want to stop the work stoppage phase.

The Congress can stop this strike in 5 minutes by a bill of the type agreed to by the House. But if some want to insist on compulsory arbitration, it is going to take a little longer.

The House has already shown that it is opposed to compulsory arbitration. Can it be said we will get speedy action if we send them another bill with compulsory arbitration in it?

Mr. President, we could adopt the House version and send it to the White House, and the President could sign it. I appeal for a vote at this time on whether or not we should adopt the House proposal which would set up a special board to consider the matter and provide that the special board could consider only proposals of a fair and equitable settlement within the collective bargaining and mediation efforts in this case. They could not award more than the unions agreed to accept or less than the railroads agreed to pay. Whatever they agreed upon would have to be within those limitations.

It seems to me that it would be simple, fair, and equitable to adopt the House version. It could be signed before 2 o'clock, We do want to end the work stoppage in a hurry and get the trains running; the fastest way to do so is not by putting compulsory arbitration on the backs of the parties. That would be the fastest way for us to act and we could do it in a few minutes. If speed is what is needed, they would get it.

Mr. President, the main difference in the two proposals is that the House version takes out compulsory arbitration and allows free collective bargaining under the limits of the law; it affords the parties the previous protection and allows them to work out their differences under the process of free collective bargaining.

As I stated, I agree with the President's statement that an emergency exists. I commend the President for his patience and efforts. I commend Secretary of Labor Wirtz for his great efforts to settle this matter and in working with the parties. He did an excellent job.

When the Senate Joint Resolution 81 was brought to the Senate from the Committee on Labor and Public Welfare it had in it a finding by the majority that both management and labor refused the finding of the Fahy panel. The finding of the majority which wrote the bill was that both labor and management rejected those proposals. This is not a case of one side turning down the proposal. This is a case where both sides turned it down. I cannot agree that compulsory arbitration is the only answer; I believe a further 90-day period of negotiation and

mediation would result in a voluntary settlement.

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

Mr. YARBOROUGH. Mr. President, in short, I ask only for a vote on whether or not the Senate will concur in the House amendment to Senate Joint Resolution 81. The Senate has never had an opportunity to express its sentiment on that bill, and I hope we have that opportunity.

Mr. MORSE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has no time until some action is taken.

Mr. MORSE. Mr. President, I offer a substitute for the motion of the Senator from Texas [Mr. YARBOROUGH].

The PRESIDING OFFICER. The substitute will be stated.

The ASSISTANT LEGISLATIVE CLERK. The Senator from Oregon [Mr. MORSE] proposes:

On page 3 of the House engrossed amendment, after section 4, insert the following new section:

"SEC. 5. (a) If agreement has not been reached by the parties upon the expiration of the period specified in section 6, the determination of the Special Board shall take effect and shall continue in effect until the parties reach agreement or, if agreement is not reached, until such time, not to exceed two years from January 1, 1967, as the Board shall determine to be appropriate. The Board's determination shall have the same effect (including the preclusion of resort to either strike or lockout) as though arrived at by agreement of the parties under the Railway Labor Act (45 U.S.C. 151 et seq.).

"(b) In the event of disagreement as to the meaning of any part or all of a determination by the Special Board, or as to the terms of the detailed agreements or arrangements necessary to give effect thereto, any party may within the effective period of the determination apply to the Board for clarification of its determination, whereupon the Board shall reconvene and shall promptly issue a further determination with respect to the matters raised by any application for clarification. Such further determination may, in the discretion of the Board, be made with or without a further hearing.

"(c) The United States District Court for the District of Columbia shall have exclusive jurisdiction of all suits concerning the determination of the Special Board."

On page 3 of the House engrossed amendment, strike out "Sec. 5" and substitute "Sec. 6".

In section 6, as redesignated by the previous amendment, insert "reinstated and" before "extended".

The PRESIDING OFFICER. The Senator from Oregon has 30 minutes.

Mr. MORSE. Mr. President, I want to point out two things that my substitute motion does. It retains finality consistent with what the President talked about as the major thrust of his letter. The time has come for having finality in this long, drawn out and prolonged dispute. Second, it inserts the additional language which is necessary to give the Department of Justice the legal authority to go into the courts of the land and end the strike. That is all my substitute would do.

The change which inserts section 5, restores a section of the resolution which passed the Senate on June 7, 1967, by a vote of 70 to 15 and gives finality to the determination of the special board to be appointed by the President.

All the controversy in the conference over these many days has been over the very point which the Senator from Texas [Mr. YARBOROUGH] discussed; namely, the difference between finality and no finality. No finality means that we would have it back in our laps, in my judgment, for a certainty, in the future.

Those who held that point of view on the Senate side did not prevail in conference. Those of us who insisted on finality are back here this morning with the conference in disagreement.

To the great credit of the Senator from Texas I want to say that he voted for that motion because he came to the conclusion, as he said, that there was little hope of getting an agreement within the conference.

The amendment to section 6, which is the second part of the substitute motion which I have adopted, restores the operative provisions of section 10 of the Railway Labor Act which states:

No change except by agreement shall be made by the parties to the controversy in the conditions out of which a dispute arose.

This change is necessary since the previous period of unilateral action by the parties has expired, as the Senate is well aware, in the past hours. Strike action has been taken by certain railway workers.

Let me say, Mr. President, that this language has been worked out with the Attorney General of the United States. He gave to me a language which deals with this last point. His draft language reads as follows:

SEC. 6. The provisions of the final paragraph of section 10 of the Railway Labor Act, heretofore extended by law, shall be hereby reinstated and extended. . . .

That is what is necessary to get this restored, in order to give him the legal basis to move into the courts for the necessary injunctive action to put the men back to work.

The full section 6 of my amendment reads:

SEC. 6. The provisions of the final paragraph of section 10 of the Railway Labor Act (45 U.S.C. 160), as heretofore extended by law, shall be hereby reinstated and extended until 12:01 o'clock antemeridan of the ninety-first day after enactment of this resolution with respect to the dispute referred to in Executive Order 11324, January 28, 1967.

The President, I call upon the Senate again to vote the question as to whether it wants finality in this case. The Morse substitute motion provides for that. I also emphasize to the Senate that the vote it cast on June 7 last for finality was 70 to 15.

Mr. JAVITS. Mr. President, will the Senator from Oregon yield me 5 minutes time?

Mr. MORSE. I yield, but I wonder whether I could have the attention of the distinguished majority and minority leaders.

I wonder whether the Senator from New York would agree to allow me to suggest the absence of a quorum, with the understanding that it will be withdrawn just as soon as I can take an emergency telephone call, which has just been brought to my attention.

Mr. JAVITS. Of course.

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

The PRESIDING OFFICER. On whose time will the quorum be called?

Mr. JAVITS. Mr. President, I ask unanimous consent that the time for the quorum call not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered; and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MORSE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded and that the Senator from New York [Mr. JAVITS] be recognized.

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

Mr. JAVITS. Mr. President, will the Senator yield me 5 minutes?

Mr. MORSE. Mr. President, I yield to the Senator from my time.

Mr. JAVITS. Mr. President, I would like to get the attention of as many Members of the Senate as possible, as this is a complex and interesting problem, which I think ought to have some thought by the Senate. We will undoubtedly be acting within the next couple of hours, anyhow, I think as many Senators as possible ought to listen to our situation.

Mr. President, on behalf of myself and the Senator from Michigan [Mr. GRIFFIN], I shall offer an amendment to Senator MORSE's substitute which will do the following three things:

First, it will preserve finality in the sense that the findings of the special board appointed by the President will be binding at the end of the period specified in the Senate bill, to wit, 91 days, subject only to the power of Congress and the President, by joint resolution, to cancel the effectiveness of the special board's determination. I emphasize that this is just a last-resort guarantee to labor and to management that there will be no runaway board and that, if something really goes wrong in this process, it can be corrected by action of Congress and the President.

The other change—and I shall discuss the reason for this in a moment—provides that at the end of the 60-day period, by which time the special board has to make its determination, there will be a 10-day period in which labor and management will be required to accept or reject the findings of the board. This will not change the findings or cancel them out; it will just give us, the President, and the public, knowledge of whether the findings are or are not acceptable to management and labor. It might be that the whole dispute would be over by that time.

Mr. LAUSCHE. Mr. President, does the Senator refer to the arbitration board?

Mr. JAVITS. The special board appointed by the President.

The third change made by the amendment is that if the parties agree to accept binding arbitration during the 10-day period, that, too, will end the dispute,

because the Railway Labor Act provides for binding arbitration, and we incorporate by reference the provisions of the Railway Labor Act, insofar as arbitration is concerned, in this particular provision.

So the three changes are as follows:

First, within 10 days—no time extension; the time remains the same—after the special board makes its findings, labor and management are required to accept them or reject them.

Second, within those 10 days, labor and management may agree upon binding arbitration under the provisions of the Railway Labor Act. We incorporate the Railway Labor Act provisions by reference.

Third, in the 20 days following the 10 days—still within the 90-day period—Congress may, by joint resolution, which requires the signature of the President to make it effective, invalidate, cancel, or reject the findings of the special board.

I characterize that as a last-resort guarantee, should there be a universal feeling that the board has gone haywire or has been a runaway board.

A resolution to veto the special board determination would be governed by the procedures of the Reorganization Act. This provides for specified periods of time within which there is to be committee action, and avoids any possibility of what we in the Senate euphemistically call extended debate or filibuster. The action of Congress and the President is to be taken actually within the 20-day period. This would be done by incorporating in this amendment, by reference, the provisions of the Reorganization Act.

What is the reason for the amendment? In the first place, this thinking represented the pinnacle of agreement in the conference. We came the closest to agreement upon this amendment as representing the position of the Senate and the House. The Senate conferees, by a vote of 8 to 2, agreed to accept it. The House conferees, by a vote of 5 to 4, rejected it. From that point on, we were on our way downhill, in terms of agreement. We just could not come to any agreement. This represented the pinnacle of our ability to agree.

The composite amendment is composed of a provision by Representative ADAMS, of Washington, who suggested the idea of letting the parties accept arbitration. The provision for a 10-day period for acceptance or rejection is the product of the thinking of Representative FRIEDEL, of Maryland.

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

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

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

Mr. JAVITS. The possibility of a veto by joint resolution—that is, by the action of both Houses of Congress—and the signature of the President is the product of my own thinking and that of the Senator from Michigan [Mr. GRIFFIN].

Finally, the question, Why the amendment at all? Why not go ahead with the Senate joint resolution? That is the proposal of the Senator from Oregon [Mr. MORSE]. I am rather hopeful that he will support the amendment which the Senator from Michigan and I are proposing. There are two good reasons for supporting it. First, to make it very clear that this is an ad hoc proposition, designed for this particular eventuality; that it does not represent a permanent pattern for the settlement of labor disputes of this character which get us into national emergencies. The best way to flag this very clearly as an ad hoc proposal, just for this particular occasion, is by bringing Congress and the President into the final process of requiring labor to take this particular kind of settlement.

The second point concerns the very deep antipathy of labor and the deep reservation which many of us have, including myself, about the advisability of compulsory arbitration in major labor disputes, and the fact that under these circumstances there seems to be no other way to settle the dispute. I agree to act accordingly in reference to this legislation, whatever it may mean to me as a legislator in respect of union relationships, which I value greatly, and always have in my service. Our Nation's welfare comes first in the minds of all of us. But at least the proposal is an effort to make it, as far as we can, an assurance to organized labor that the process of finality which we are requiring will be a fair one.

So I repeat, if the special board appointed by the President, no matter how distinguished—and I am sure it will be distinguished—in the final analysis, goes overboard or exceeds its authority, or is a runaway special board, there is a power of correction. Labor cannot say, "You are absolutely mandating upon us what a board, without the legislative responsibilities which Members of Congress have, may require, and making that final." All we are really making final is the law of the land; and we could undo it by another appropriate law. The only reason we are writing it in here—because we could do it anyway, by passing a law at the end of the 70 days—is, first, to give assurance to labor in advance, because after all, we do wish them to obey this law when we pass it; and, second, to write in the procedures of the Reorganization Act, which will actually enable us to carry out our will within the 20-day period stipulated. Otherwise, the matter could be filibustered or talked to death in committee, and Congress might never act upon it, even if it wanted to.

In order to accomplish that, we have to write in these procedural sections, which we do incorporate by reference.

Mr. President, this was about the toughest conference I have ever been in.

There were at least 25 votes taken by the Senate and House conferees. It was really a deadlocked situation. Under the circumstances, where we do face a national emergency and where it is possible to do, with no inconsistency, no jeopardy of the fundamental legislative scheme of the Senate, what the Senator from Michigan [Mr. GRIFFIN] and I suggest be done, we feel we are at least making some effort to mollify those who feel so very deeply in opposition.

They will not be happy with the result today. They will be just as critical of me, of Senator GRIFFIN, and of everybody else connected with the matter as if we voted straight for the Senate bill. But I believe second thoughts will prevail, and people will realize tomorrow, if they do not today, that we really tried, consistent with the basic principles to which we are committed here in the Senate, to take care of these concerns with finality inasmuch as we could. That that is what we have sought to do.

Mr. LAUSCHE. Mr. President, will the Senator yield me 5 minutes?

Mr. MORSE. Mr. President, I have only 14 minutes remaining. I yield 3 minutes.

Mr. LAUSCHE. Is my understanding correct that the amendment of the Senator from New York contemplates that after the special board created by the President has made its findings, unless something intervenes within 30 days, Congress, by resolution, shall have the right to veto the board's findings, provided the veto is approved by the President?

Mr. JAVITS. By the President; that is correct.

Mr. LAUSCHE. In other words, the finding will be made by the Arbitration Board.

Mr. JAVITS. That is correct.

Mr. LAUSCHE. Congress then will have a chance to look at the findings, and to pass upon them either by abstention of action or by a veto?

Mr. JAVITS. That is exactly correct. May I add just one other point? If the President vetoed the congressional joint resolution, conceivably, the veto could be overridden by a two-thirds vote.

Mr. LAUSCHE. That will never happen, of course.

Mr. JAVITS. I merely point that out.

Mr. LAUSCHE. What is likely to happen between the time the award is made by the Arbitration Board and the end of the 30 days in which Congress can exercise the right of veto? What pressure will be applied to us? How many labor leaders are going to come down here and say, "You have the ultimate power to determine what our terms shall be, and we expect that you will veto the bill." How heavy is the burden going to become during those 30 days, compared to what it is now? Will it not be deeper, graver, and heavier to deal with, and will not the fact that we vacillate give encouragement and hope of attaining the end of a nondecision?

Mr. JAVITS. In the first place, Congress has only 20 days under our amendment, the other 10 days of the 30 are in the hands of the parties.

Mr. LAUSCHE. But it is 30 days in all. Ten days are in the hands of the union, to say "Yes" or "No".

Mr. JAVITS. Twenty days is what Congress has.

Mr. LAUSCHE. Yes.

Mr. JAVITS. But I would say to the Senator, while I cannot conceive of more pressure than there is today with respect to this legislation, even if there were tremendous pressure, speaking for myself, I believe we must legislate with justice, whatever the pressure may be. I am not afraid of pressure today; I am not afraid of it in that 20-day period, compared to the wisdom of doing what is just.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LAUSCHE. I ask for 2 additional minutes.

Mr. MORSE. Mr. President, I cannot yield any further and make my case.

Mr. JAVITS. I ask for 2 minutes on the bill.

Mr. MORSE. The Parliamentarian tells me I do not have that right.

Mr. LAUSCHE. Just a minute.

Mr. JAVITS. I will have an hour later.

Mr. LAUSCHE. Let me have just a minute now, and perhaps I can avoid taking up the Senator's hour later.

Mr. MORSE. Take a minute.

Mr. LAUSCHE. Is it not a fact that if this procedure recommended by the Senator from New York is adopted, Congress will become the arbiter, and will have the power of decreeing finally what the wages shall be, in a dispute such as this? I should like to hear the Senator's answer to that question.

Mr. JAVITS. I shall have an hour in which to answer, Mr. President, and I intend to answer the question very completely.

Mr. LAUSCHE. Can the Senator answer it in 1 hour?

Mr. JAVITS. I can answer it in 1 minute.

Mr. HOLLAND. Mr. President——

The PRESIDING OFFICER. Who yields time?

Mr. MORSE. I have to make a statement now in regard to the proposal of the Senator from New York.

Mr. HOLLAND. Mr. President, will the Senator yield for one question? Or I will put two in one.

Mr. MORSE. Very well; I yield for that purpose.

Mr. HOLLAND. First, is there any assurance that if this amendment is agreed to, it will be accepted by the House of Representatives?

Mr. JAVITS. Mr. President, I believe it will be. That is speculation. As a matter of fact, we do not know whether the House will accept Senator MORSE'S amendment, or Senator YARBOROUGH'S amendment. The Yarborough amendment is merely concurring, and thus should be acceptable, but Senator MORSE'S reiterates the Senate position. At least by doing what I recommend, we are trying to advance somewhat toward meeting the feelings of some of the Members of the House of Representatives, which I think gives us the best chance of acceptance over there.

Mr. HOLLAND. But, the Senator has already said that a majority of the conferees declined to accept the proposal.

Mr. JAVITS. We have been led to believe that some of those who declined to accept the proposal—and the vote was 5 to 4—have changed their opinions in view of the strike. That is the reason for the amendment.

Mr. HOLLAND. I thank the Senator.

Mr. MORSE. Mr. President, I want to make a statement with reference to the amendment of the Senator from New York.

I do not want my sitting in silence while my good friends talk about compulsory arbitration to indicate that there is the slightest bit of arbitration in the Morse resolution. There is not.

It is completely limited to mediation and is not an arbitration process. It is completely limited to a compromise procedure and not to a judgment based upon the evidence. In fact, under the Morse resolution a special panel cannot even give weight to the Ginsburg report, which is an arbitration report. It is limited to the mediation proposals of the parties and the mediation proposal of the mediation special panel. The special panel that the President will appoint under the Morse resolution, if adopted, will be a mediation panel.

With that out of the way, I want to give to my colleagues the position of the senior Senator from Oregon as the manager of the President's resolution.

First, in regard to the Javits proposal, I wonder if the Senator from New York will permit me to make a comment with regard to the UPI dispatch about which he talked.

The senior Senator from New York and I are, of course, in complete agreement that this UPI dispatch of this morning does not present the view of the two Senators.

I think we ought, in fairness to the President of the United States, to make this record perfectly clear.

The UPI dispatch of this morning reads:

> A move by Senate Republicans was expected in an attempt to amend the administration bill to place the blame for any compulsory settlement on the President.
>
> Sen. Jacob Javits, R-N.Y., and Sen. Robert Griffin, R-Mich., said they would introduce an amendment to the administration bill which would contain the same provisions of the measure except for the final "mediation to finality stage." Under the Republican proposal the President would have to personally make recommendations to Congress for a settlement.
>
> Once the President made the recommendations Congress would have the option to veto them. If Congress failed to act they would go into effect automatically.
>
> Griffin said the proposal received the most support from House conferees during meetings last week. He said the House conferees rejected it by a 5 to 4 vote.

I have talked with both of my colleagues, the Senator from New York [Mr. JAVITS] and the Senator from Michigan [Mr. GRIFFIN].

They said that is not their position at all under the amendment they are offering.

The bill, of course, would be the vehicle for transmitting the Panel's report to Congress, and the Congress would act its will upon it.

If both Houses did not reject it, that would end it. It would be final on the 91st day.

If both Houses rejected it by a joint resolution—and note my language, joint resolution—it would go to the President for signature or veto. That is the procedure.

I therefore want the record, in fairness to the two Senators and in fairness to the President, to be perfectly clear that this is not any proposal at all that passes the buck, so to speak, to the President of the United States.

It rests on a finality decision in the first instance upon both Houses of Congress. It would require both Houses to reject it, or it would become final on the 91st day.

If both Houses do reject it by a joint resolution, it would go then to the President for acceptance or rejection.

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

Mr. MORSE. I yield.

Mr. JAVITS. Mr. President, I confirm what the Senator from Oregon has stated.

The UPI press dispatch is something that we have to take note of because it states something that would be very sensational if true.

The UPI press dispatch is grounded, in my opinion, upon a misapprehension of the terms of the amendment which, as the Senator from Oregon has said, requires only a ministerial duty on the part of the President, the transmission of the special board's report.

The action of the President with respect to whether he will accept the report of the special board as binding only comes after, and not before, the Senate and the House have both acted affirmatively to reject the findings of the special board.

I cannot conceive under those circumstances any implication that we are trying to put the monkey on the back of the President.

On the contrary, Congress is carrying the responsibility.

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

Mr. JAVITS. I yield.

Mr. GRIFFIN. Mr. President, I join in the statement just made by the senior Senator from New York. If anything, the proposed amendment would put the "monkey on the back" of Congress rather than on the back of the administration.

Under the amendment, the administration would make no recommendation whatsoever. There would be nothing for the President to do except to tranmit to Congress notice that the parties have not accepted the Board's determination.

The action would then be up to Congress, with the discretion resting in the President to act thereafter.

Mr. MORSE. Mr. President, I wish to make it perfectly clear that this amendment was first offered in conference by the senior Senator from New York [Mr. JAVITS] and the junior Senator from Michigan [Mr. GRIFFIN].

Originally, I opposed the amendment.

I make this statement in fairness to some of the other conferees who likewise opposed the amendment.

My major reason for opposing the amendment was that I thought it would be bad legislation to have Congress—who would not be a party to the negotiations, or the hearings as a special panel would be with respect to the various proposed compromises in an effort to get a conscionable compromise settlement of the dispute—sit in judgment as to whether the change should be 5 cents, 6 cents, or 7 cents, or 6 days of holidays or 8 days, or any other change.

From the standpoint of legislative procedure, I thought it would be better if

we did not have to do it. But when we have the responsibility of handling a program in conference in a rather dual capacity, we try to work out a conscionable compromise within the conference committee.

My colleagues will say—and I realize it is so—that this was the nearest we seemed to be able to get to a consensus.

I said to the senior Senator from New York and to the junior Senator from Michigan that, on the floor of the Senate, I would support it if that was the one way in which we could break this deadlock, because finality is not lost.

I took the position from the beginning of the conference to the end that I was not going to support anything unless it had finality in it, and finality is in this measure. I will support it on the floor of the Senate insofar as my vote is concerned.

The senior Senator from New York will testify that he asked if I would cosponsor the amendment. I said, "No, I will not." However, I gave my word that I would vote for it.

When I give my word, that is my bond. I will vote for it, but what I say now is not to be interpreted by anyone as meaning that I think they should vote for it or against it.

The senior Senator from New York is right. This came the nearest in conference on both sides of the table to breaking the logjam in which we found ourselves.

Let me say what I think the pros and cons are.

There has been a lot of talk in conference with regard to what the attitude of the workers may be. Let us talk about the attitude of the carriers, too.

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

Mr. MORSE. Mr. President, I ask unanimous consent that I may have an additional 5 minutes because I am explaining the matter to the two Senators as well as for myself and for the information of the Senate, too.

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

Mr. MORSE. Mr. President, there has been a lot of talk about what the attitude of the workers would be. What about the attitude of the carriers?

In my judgment, it is fair in that sense to the carriers and to the brotherhoods, if we can get the dispute settled through this procedure with finality.

Mr. President, I do think in view of the bitter attitude that has been evidenced by some of the workers in regard to this industry and the misunderstanding on the part of the rank and file, that some of us are proposing compulsory arbitration when we are actually proposing mediation with finality, that it might very well be considered by the workers as more acceptable.

I cannot imagine the carriers finding it unacceptable, because finality is preserved there, too.

We get opinions that are split. But this modification is somewhat different from sending back to the House just the straight Senate bill, with the additional language that the Attorney General has provided, which is in my substitute motion. I believe that some Members of the House will be more prone to vote for the resolution with the Javits-Griffin amendment in it.

I believe the President of the United States has answered the whole case with his unanswerable letter this morning. I refuse to believe that either the Senate or the House of Representatives this afternoon will walk out on what I consider—and I speak only for myself—to be a clear public trust that we owe the American people in this hour of great crisis.

We have now to determine whether government by law will prevail in this country or whether, in an hour of great crisis, any group of labor in a regulated industry will be allowed to bring the economy of this country to its knees, with the loss of millions and millions of dollars to the people of this country, hour by hour, as this work stoppage starts.

So far as the senior Senator from Oregon is concerned, that is the issue. I believe that both Houses must stand up to that issue by passing this afternoon a bill, with the principle of finality in it, that gives assurance to the American people that the strike will be brought to an end.

I do not ask people to agree with me. But I have gone through this kind of contest many times—I have had labor threaten me before. A leader of one of the unions said to the Secretary of Labor yesterday that he would give him 10-to-1 odds that they would beat me next year in the election. I accept the challenge, because what he is saying is that he thinks he should be allowed to use a dictatorial economic power, because he is the head of a union, to bring this country to its knees in an hour of great crisis. Let us find out. I would rather walk out of the Senate than stay in it and bend my knees to that kind of political blackmail and blackjack. But I have confidence in the voters of my State, and I believe they will give him the answer.

However, irrespective of my position in this matter, I want to hold the Senate to the principle that is involved. I close by saying that the principle is whether or not we are going to vote this afternoon to maintain government by law in this country or surrender to a powerful labor lobby. That is the issue, and I am ready to vote. I will vote for the Javits-Griffin amendment.

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

Mr. MORSE. I yield.

Mr. MANSFIELD. What is wrong with the legislation which has already passed the Senate? Why do we need an additional motion such as the one that the distinguished Senator from New York and others wish to act on? What is wrong with what the Senate has already done, on the basis of the 70-to-15 vote?

Mr. MORSE. I have explained to the Senator from Montana that that was the position I took earlier in conference. As a conferee in charge of the resolution, I said I would support this modification if we could get agreement on it. We were not able to get agreement on it, but I believe I am ethically and morally bound by my word to vote for the proposed amendment. I have explained this to the Senator from New York. I will vote for it.

Mr. HOLLAND. Mr. President, is there any time remaining?

The PRESIDING OFFICER. The Senator from Texas has 30 minutes remaining on the amendment.

Mr. JAVITS. Mr. President, will the Senator yield so that I may make a parliamentary inquiry?

Mr. YARBOROUGH. I yield.

Mr. JAVITS. Mr. President, do I correctly understand that, the time of the Senator from Oregon having expired, an amendment to the substitute is now in order, upon which there may be 1 hour of debate?

The PRESIDING OFFICER. Until all time has expired, including that of the opposition, the amendment would not be in order.

Mr. JAVITS. Has the time expired, including the time of the opposition?

The PRESIDING OFFICER. No. The opposition has 30 minutes. The only time utilized has been that under the control of the Senator from Oregon.

Mr. JAVITS. May I then ask the Chair whether we are not under some misinterpretation, having assumed that the Senator from Oregon used all the time on his substitute? The answer is that he has not—to wit, it was a half hour left in opposition.

The PRESIDING OFFICER. The Senator from Oregon has used all the time available to him. The time of the opposition is under the control of the Senator from Texas. He has used no time. He has 30 minutes. The amendment is not in order until all the time has expired.

Mr. YARBOROUGH. I yield 5 minutes to the Senator from Florida.

Mr. HOLLAND. Mr. President, I first wish to pay my very great respects to the Senator from Oregon. I believe he has acted with courage and fidelity, and I have nothing but praise for his position. At the same time, I believe we would be taking a very weak position by adopting the amendment now offered by the Senators from New York and Michigan. I agree completely with the thought advanced by the majority leader, that we passed a strong bill by a very large vote—I believe it was 70 to 15—and that bill has been in conference; and that, while the conferees are technically discharged, we can send it back to conference.

I say to my friend, the Senator from New York, that he is correct in his feeling—and I am sure he has this feeling—that members of the conference from the House have changed their minds with reference to the advisability of adopting his amendment.

However, as an amendment to the bill, and in conference, I believe it would be the part of wisdom to send this bill back to conference and let him find out whether his belief is true, that the conferees of the other body are ready to change their minds.

I call attention to the fact that there is no assurance that the House will accept the bill with this amendment, even if we placed it in the bill. There is no assurance that they will take it up im-

mediately. We know what the rules in the House are and how they can hold up matters there. But the bill—and it was a good bill—offered by the Senator from Oregon, and passed by a heavy vote, remains passed, and it represents the verdict and the judgment of the great majority of the Senate.

Mr. President, I do not like to see us start slipping back when we have taken a real position. More particularly, I do not want to see us start slipping back when we do not have any assurance that this measure, with its throat cut by this amendment in a degree, would be any more acceptable to those who do not want any meaningful measure to end what is a crisis throughout this country, from one end of it to the other. We should stand by the original bill of the Senator from Oregon, appoint conferees, and let us see whether there has been a change in judgment on the part of the conferees of the House.

I hope, therefore, that the Senate will reject the amendment now offered, stand by its original judgment, stand by a meaningful bill, and not give the impression that we are a little fearful because there has been so much pressure brought to bear, a little fearful of maintaining our position. I do not want to see the Senate left in that attitude.

I thank the Senator for yielding to me.

Mr. MILLER. Mr. President, will the Senator from Texas yield to me, so that I may ask the manager of the bill a question?

Mr. YARBOROUGH. I yield 3 minutes to the Senator from Iowa.

Mr. MILLER. Mr. President, I ask my colleague, the Senator from Oregon, this question: Is it true that the full membership of the House really never had an opportunity to vote for the Senate-passed bill?

Mr. MORSE. They never had a rollcall vote on anything. In conference, we urged them to agree to go back to the House, to get a rollcall vote. We never made progress with that suggestion. There never was a rollcall vote in the House of Representatives on the Senate bill that has a provision of finality in it.

Mr. MILLER. If we should reject the Javits-Griffin amendment, and pass the same bill again, would the Senator from Oregon feel that there would be a good chance that there would be an opportunity given to the Members of the House to have a rollcall vote on the bill? I would like to ask the Senator's evaluation.

Mr. MORSE. I cannot speak for the House.

Mr. MILLER. I understand that.

Mr. MORSE. I indicated in my closing remarks that I cannot believe, in this hour of crisis in this country, that there is any danger that both Houses will not stand up this afternoon or this evening and vote the same resolution with finality in it.

Mr. MILLER. I thank my friend, the Senator from Texas, for yielding.

I would like to add that it seems to me that the ground rules are a little different now. When we passed the bill there was no strike. Now there is a strike. If we pass the same package again, it would seem to me that the full membership of the House of Representatives should be given an opportunity to have a rollcall vote on it. Then, if they reject it, we might get into modification.

Mr. YARBOROUGH. Mr. President, I yield 2 minutes to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I wish to ask one question of the Senator from New York.

In the event the President and both Houses of Congress veto the bill, where do we find ourselves with respect to control over the dispute?

Mr. JAVITS. The control over the dispute will be exactly where it is today: in the hands of Congress and the President.

I am not a bit dismayed by the strong words of the Senator from Florida or by any other Senator. The voice of reason always gets that kind of assault. We find the ranks closing between those who want the 90-day extension and those who want to be very tough. Let us be careful when we talk about getting the wheels rolling and let us be wise when it pays to be magnanimous.

Mr. LAUSCHE. The Senator answered my question. The answer is that we find ourselves in the identical position in which we are now. That is the worst state of mind that could be created. There should be definiteness in the law. There should be a message delivered to those involved in the dispute that the law is certain and that the law will operate.

What is proposed by the amendment would leave it in a sort of jellyfish state. We would not know what is going to happen, and 3 months from now we will be back where we are today. Let us face the matter now bravely and unrelentingly and declare to the Nation, as the Senator from Oregon said, that the law shall be obeyed and done.

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

Mr. YARBOROUGH. I yield.

Mr. MORSE. Mr. President, I want to say in fairness to the Senator from New York and the Senator from Michigan that we should not overlook the procedure that would be involved in the proposal of the Senator from New York and the Senator from Michigan.

It really tests all reasonableness to assume that both Houses would reject a fair recommendation handed down by the panel. In view of the President's letter this morning, it violates all reasonableness if it is thought that a fair panel decision would be vetoed. If he did veto it, it would take a two-thirds vote to overrule the veto. I think that a lot of bridges to cross are being built that are unreasonable. I say that in fairness to the Senator from New York and the Senator from Michigan.

I stand on the position I originally took. I said I did not like for us legislatively to get mixed into a determination of substantive issues; but this is better than a continuation of the deadlock.

Mr. FANNIN. Mr. President, will the Senator yield for a question?

Mr. YARBOROUGH. I yield.

Mr. FANNIN. Is it not true that one Member of either the House of Representatives or the Senate could have this matter back before us at the end of that period of time?

Mr. MORSE. Not one Member.

Mr. FANNIN. Could that not be done by offering a resolution?

Mr. MORSE. No, I do not think that would follow at all.

Mr. JAVITS. Mr. President, will the Senator yield so that I may answer the question?

Mr. MORSE. I yield.

Mr. JAVITS. It would take committee action, a committee report, to bring it before either body. One Member cannot file a resolution of rejection and have it acted upon. One Member could file a resolution which would be considered by a committee.

Mr. FANNIN. So it would be back before the Senate and the House of Representatives, but not necessarily on the floor.

Mr. JAVITS. It would be before a committee of either the Senate or the House of Representatives, or both.

Mr. YARBOROUGH. Mr. President, I yield to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I always applaud the efforts of my colleague from New York. He came to see me this morning about this amendment. Frankly, I am somewhat disturbed and I am not at all sure we are going to aid the cause and get out of this stalemate.

When the House of Representatives acted there was no strike; but there is a strike here involving hundreds of thousands of commuters who are inconvenienced; 110,000 freight cars that cannot be loaded, including 2,000 cars, on the average, of perishables every day. When facilities cannot be found to send ammunition to the west coast debarkation point, then you have real trouble. When the strike comes, it has a chastening and sobering effect.

That is an altogether different group there today than when they voted by voice vote on the Senate proposal. What disturbs me is this: The entire procedure is quite clear. If this is consummated the President appoints a special board, and the board makes a finding. The finding goes to the President. He does not sign it. He does not approve it. He does not concur in it. He simply transmits it. It is wholly an administerial function. It comes up here. Now, then, we have to act in 20 days. We follow an old pattern that we set down in considering the reorganization plan years and years ago.

Any Member can file a resolution to disapprove what the board did. Any Member can do it here. Of course, it has to go through committee and the matter has to be considered; but now, this is the Congress passing on a determination by the Board. What is going to be in it, I do not know; wages, work rules, shop techniques, hours, and all manner of things. What capacity do we have and what background do we have to pass upon all of these detailed matters that may be found in a determination made by the special board that has both the background and training to handle a matter of that kind?

Now, if a resolution is introduced it could be initiated by the carriers. They might be dissatisfied. On the other hand,

it could be initiated by labor. Then, what happens up here? I shall tell you. We will be lobbied to death for a little while on whether or not we should reject the determination by the board or whether there should be no action at all. It does, of course, require action by both bodies of Congress and they must disapprove; otherwise it goes into effect for a period of 2 years from the 1st of January 1967. One-third of that time has already been spent.

Now, this is done by concurrent resolution. If all these things done have the force of law, frankly, I do not know what law is about. It would occur to me you would have to have a joint resolution and have the President sign it if you are going to make this final and come within the purview of the actions we have taken heretofore on matters of this kind.

Mr. JAVITS. Mr. President, will the Senator yield at that point?

Mr. DIRKSEN. I yield.

Mr. JAVITS. This proposal does call for a joint resolution. I am sorry. I think I said that when I spoke. We would make it a joint resolution.

Mr. DIRKSEN. It stated concurrent resolution originally, but even then you will run into problems.

Let me ask this question. This is an ad hoc situation. That is an awfully good term meaning for this only. That is what it means. It is not related to anything past, present, or future. I have seen these ad hoc proposals around here before. Tell me, do we find anything to set a precedent here. Other strikes come along, not necessarily invested with a public utility attribute or function, but when finally a determination has been made and there is disagreement, will they come down here and lay it before us, saying, "Well, you did this before. Now you pass on this matter so far as we are concerned."

Well, those are the things that give me difficulty. I fancy that they are going to offer some difficulty on the floor of the House. All we do here is going to be absolutely futile unless we can feel reasonably certain that there will be concurrence on the other side. As I have indicated, a strike has a terribly sobering effect on any legislative body. I think that is the case now.

Mr. FANNIN. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I am happy to yield to the Senator from Arizona.

Mr. FANNIN. The Senator from Illinois made a statement that the House had, by teller vote, voted upon this resolution. In the committee, however, it was brought out that they had never voted on Resolution 81, even by teller vote. Thus, we had no expression from the House on the resolution under consideration. Furthermore, reference has been made several times to the fact that they came nearest to passing the Javits resolution by a vote of 5 to 4. I think the record will show in the committee meetings we had, that any number of amendments received the same vote. I think that the Senator from New York will agree that that was true.

Mr. DIRKSEN. I have nothing but praise for the Senator from New York for the vigorous and diligent way in which he goes about using his ingenuity, his intelligence, and his capacity to find some approach that will get us out of this wilderness. However, I am not at all sure that this will do it without further repercussions that may fling it right back here before we get through.

Mr. MURPHY. Mr. President, will the Senator from Illinois yield for a question?

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

The PRESIDING OFFICER (Mr. HOLLINGS in the chair). The time of the Senator from Illinois has expired.

Mr. YARBOROUGH. I yield 3 additional minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 3 additional minutes.

Mr. MURPHY. Let me ask the Senator from Illinois, will not this amendment, in effect, put Congress in the position of determining wages, hours, and working conditions?

Mr. DIRKSEN. There can be no question about it.

Mr. MURPHY. In this case, does the Senator from Illinois feel that it is proper for this body to take that position in a labor dispute?

Mr. DIRKSEN. I would hestitate to think, from then on, whatever the dispute, that it would be up to us to look into all these details and determine whether the award was good, bad, indifferent, sound, just, equitable, or reasonable.

Well, here sits the expert on this subject, the Senator from Oregon [Mr. MORSE]. He was on the War Labor Board during World War II, and handled hundreds of cases long ago. I do not qualify myself as an expert on these details. It takes much time and a great deal of patience when one is dealing with 535 legislators.

Mr. RANDOLPH. Mr. President, will the Senator from Texas yield 5 minutes?

Mr. YARBOROUGH. Mr. President, I yield 5 minutes to the Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 5 minutes.

Mr. RANDOLPH. I thank the Senator from Texas for yielding to me. Now, as during the conference, our colleague from Texas is considerate in the determination of this complex problem.

Mr. President, the Senate, in an attempt to come to grips with the problem of the possible paralysis of our railroad system, voted 70 for and 15 against, by a rollcall tally June 7, on the administration's proposal, Senate Joint Resolution 81. It was presented in this body by the knowledgeable Senator from Oregon [Mr. MORSE] and other Senators, including myself, as cosponsors of a well-reasoned and fair approach.

Mr. President, when the Senate and House conferees opened their deliberations, the Senator from West Virginia, a conferee, recognized that a conference cannot be polarized; we could not take the position dogmatically—I will use that word—of the Senate, although the Senate had spoken, as I have indicated. But to interpret the conference—and the very word "conference" means "to counsel together"—and to bring together the points of view not only of the Senate but also of the House, does not mean that the conferees of the Senate should not carry out the underlying purpose expressed in this body, which was that all matters should be considered, the issue on the one hand of labor and the issue on the other of management, the issue on the one hand of compulsory arbitration and the issue on the other hand of Government seizure.

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

Mr. YARBOROUGH. Mr. President, I yield 2 additional minutes to the Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 2 additional minutes.

Mr. RANDOLPH. Therefore, in the conference, we avoided the extremes, as I have indicated. At least, the Senator from West Virginia attempted to place himself in a position of compromise if the matter of mediation toward finality were embraced. When the situation developed in such a way that the distinguished Senator from New York [Mr. JAVITS] and the distinguished Senator from Michigan [Mr. GRIFFIN] joined, in effect, by Representatives ADAMS and FRIEDEL, had a proposition that we could vote on in the Senate-House conference, I voted with those who were in favor of this approach. Senate conferees, as the senior Senator from New York has noted, passed the compromise proposal by an 8-to-2 vote. The House conferees, by a 5-to-4 vote, did not accept it. The closeness of this decision on the part of the House managers leads me to feel, however, that the House itself might accept this type of compromise. But I am under no illusions that Senators generally, in the given circumstances which differ from those of last week, will endorse this amendment today. I shall vote for it as a proposition that might be more acceptable in the other body than that which we sent to them before, but which they rejected on a nonrecord vote.

If this amendment is defeated, as seems probable under the circumstances which prevail, the next vote will be on the Morse substitute for the Yarborough proposal. The senior Senator from Oregon [Mr. MORSE] has been a longtime and proven friend of labor, as has been the Senator from West Virginia who will vote for the Morse substitute if the Javits-Griffin amendment fails. It would be my hope that the House, on a rollcall vote, will support the Senate's action. I believe that, with the rail shutdown now in progress, the reasons for such action are accentuated. The paralysis of our rail systems is now a fact. The public interest and the national security—all other considerations aside—must be served.

Mr. President, as I said in this forum when this railroad issue first came before us early last spring, there is ample evidence of the seriousness of the impact of a railroad strike on our national economy

and on the well-being of people. The President of the United States has stated without exaggeration the consequences of such a work stoppage or a rail systems shutdown on the country as a whole and on the national security.

And, too, Mr. President, concerning the impact on the State I represent, I said, in part in addressing this forum on April 11—and I repeat today because the danger signals already are coming through from West Virginia in the early hours of the present rail service stoppage:

In West Virginia, a complete enforced cessation of service by the five railroad systems serving our industry and commerce would be catastrophic, primarily because of the nature of our principal industries.

Coal, chemicals, steel, and glass are the primary producing and shipping industries—by far the largest employers of our nonfarm labor force—in West Virginia. All of these industries are extremely vulnerable to production shutdown and worker layoffs when railroad services are not available.

Our coal mines and coal miners would be almost immediately affected because at least 90 percent of all coal mined in West Virginia is shipped by rail beyond our borders, most of it in large unit trains to electric generating plants, to tidewater for transloading to oceanic vessels for export, to steel mills, and to automotive and other manufacturing facilities, as well as to other types of customers.

Patently obvious is the fact that if there are no empty coal hoppers moved by rail to the mine loading facilities, the mine will close. And this closure probably would occur on the first or second day after the rail strike would go into effect. The loss of employment would be felt immediately by all but a few of a mine's employees, with only a skeleton force of maintenance personnel being kept on duty. Due to the adverse impact on coal alone, the West Virginia unemployment rate would quickly increase by as much as 7½ percent. The vast majority of the 41,000 active miners in West Virginia would be forced into idleness for the duration of the strike. Production losses would run an average of approximately 400,000 tons each day of a 30-day month up to approximately 13 million tons for such a month.

The consequences of upward to 40,000 coal miners being idle and 400,000 tons of coal production per day being lost would be a staggering impact on the economy of many communities and on the State. The losses of payroll and taxes would pyramid as the effects of rail and coal mine shutdowns would proliferate and engulf other segments of industry and commerce. The general economy of our State would be staggered from the direct results of coal and rail stoppages alone.

To then add to the economic chaos the impact of a railroad strike on the chemical, steel, and glass industries would be to compound chaos into economic catastrophe and widely spread human suffering.

The costs of cutting off the operations of complex chemical producing units because there would be no regular railroad cars or tank cars to receive the production would be staggering and the resulting unemployment would be still another shameful consequence.

Likewise, the economic loss and unemployment growing out of banking the fires of steel mill furnaces or shutting down glass plant tanks would be terrible to contemplate.

Mr. President, any prolongation of the cessation of railroad operations would impose intolerable conditions on the people and the economy of West Virginia and there is an overriding concern for the public interest there, in addition to the paramount concern we must feel for the national security and the national welfare. We have no alternative for forthright and affirmative action on the issues before us today.

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

Mr. YARBOROUGH. Mr. President, I shall oppose this amendment for several reasons.

First, this body has never had the opportunity to vote on Senate Joint Resolution 81, as amended by the House, without compulsory arbitration.

Second, the proposed amendment by the Senator from New York and the Senator from Michigan provides no alternaitve to compulsory arbitration. It leaves compulsory arbitration in the bill. The only thing it would do, if utilized, would be to put the Congress in the business of arbitrating labor disputes.

Third, it would require a joint resolution of Congress to take off the yoke of compulsory arbitration and bring the problem back to Congress. I do not think we should put that yoke there in the first place.

Fourth, there is no assurance that the House will accept the amendment if adopted. If we need quick action, we are exposing ourselves to possible disagreement with the House again at a time when we could get a bill to the President that would end the work stoppage in an hour.

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

Mr. YARBOROUGH. I yield to the Senator from Arizona.

Mr. FANNIN. I wish to state that it is my opinion, based on a careful check that there would be a greater chance of acceptance by the House if we adopt this resolution without the amendment. I think the amendment is confusing and detrimental to the passage of this resolution.

Mr. YARBOROUGH. Mr. President, I yield back the remainder of my time.

Mr. JAVITS. Mr. President, I send to the desk an amendment as a substitute, on behalf of myself and the Senator from Michigan [Mr. GRIFFIN]——

Mr. MANSFIELD. Mr. President, has the time expired on the Morse proposal?

The PRESIDING OFFICER. That is correct.

Mr. HOLLAND. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. No.

Mr. HOLLAND. I ask for the yeas and nays.

Mr. JAVITS. Mr. President, I do not yield yet. I have sent an amendment to the desk. I will yield after I have had an opportunity to have the amendment put before the Senate.

The PRESIDING OFFICER. The amendment offered by the Senator from New York will be stated.

The legislative clerk proceeded to read the amendment.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment may be dispensed with.

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

The amendment is as follows:

On page 3 of the House engrossed amendment at the end of section 4 strike out "and to the Congress".

On page 3, after section 4, insert the following new section:

"SEC. 5. (a) On or before the tenth day the Special Board has made its determination the parties shall advise the Special Board whether they accept or reject its determination. If the Board's determination is not accepted by the parties and they have not agreed to accept arbitration as provided in sections 7 and 8 of the Railway Labor Act, the Board shall forthwith notify the President. Upon receiving such notice the President shall transmit the Board's determination to Congress in which case, unless within twenty days thereafter the Congress, by joint resolution declares that the determination of the Board shall not take effect, the determination of the Board shall take effect and shall continue in effect until the parties reach agreement or, if agreement is not reached, until such time, not to exceed two years from January 1, 1967, as the Board shall determine to be appropriate. The Board's determination shall have the same effect (including the preclusion of resort to either strike or lockout) as though arrived at by agreement of the parties under the Railway Labor Act (45 U.S.C. 151 et seq.).

"(b) Any proposed joint resolution declaring that the determination of the Special Board shall not take effect shall be considered by both Houses in accordance with the rules made applicable to resolutions relating to reorganization plan by sections 908 and 911–913 of title 5 of the United States Code.

"(c) In the event of disagreement as to the meaning of any part or all of a determination by the Special Board, or as to the terms of the detailed agreements or arrangements necessary to give effect thereto, any party may within the effective period of the determination apply to the Board for clarification of its determination, whereupon the Board shall reconvene and shall promptly issue a further determination with respect to the matters raised by any application for clarification. Such further determination may, in the discretion of the Board, be made with or without a further hearing.

"(d) The United States District Court for the District of Columbia shall have exclusive jurisdiction of all suits concerning the determination of the Special Board."

Mr. JAVITS. Mr. President, now I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. JAVITS. Now I shall be happy to yield to the Senator from Florida [Mr. HOLLAND], if he wants to ask for the yeas and nays on anything else.

Mr. HOLLAND. Mr. President, I am very happy that the Senator has asked for the yeas and nays. That is all I wished to request. Apparently he has the

same desire. So on this point of the debate we are together.

Mr. JAVITS. Mr. President, I yield myself 10 minutes.

Mr. President, the Senator from Michigan [Mr. GRIFFIN], to whom I am deeply grateful for his help, and I are undertaking a formidable task. The majority leader indicates that he wants the Senate to pass the original measure. The minority leader indicates that he wants the Senate to pass the original measure. A number of Members who are not, perhaps, particularly sympathetic to any modification of it indicate the same thing. I am not dismayed.

Mr. MORSE. Mr. President, will the Senator yield me 1 minute?

Mr. JAVITS. Yes, I yield.

Mr. MORSE. I want to say this, so there will be no question on the part of anyone in the Senate, as to what the position of the Senator from New York and the Senator from Michigan was throughout the conference. I received from the Senator from New York and the Senator from Michigan [Mr. GRIFFIN] complete cooperation, in discussion after discussion and vote after vote, on the Senate measure. Senator JAVITS and Senator GRIFFIN joined me at all times in support of the Senate position on finality. We got into a lot of problems in the conference with the House of Representatives. It was at the point when it appeared there was a loggerhead that never could be resolved, that the Senator from New York and the Senator from Michigan, and principally Mr. ADAMS and Mr. FRIEDEL, worked out what they thought would be a compromise. It was not exactly the same as what the Senator from New York has offered, but the principle was practically the same, whereby, if both Houses rejected the Panel's proposal, it would not be final.

I opposed it in the discussions. I finally said that, if it would help resolve the conference, I would be for it. The House voted on it and rejected it. After the House rejection, I took the position that the Senate conferees ought to stand in disagreement and go back to the floor. The record shows I am responsible for coming back in disagreement. I tried it last Thursday. I got beaten on two rollcalls by a vote of 6 to 5. This morning, with the situation somewhat changed, the Senate conferees, by a vote of 11 to 0, voted to come back to the Senate in disagreement.

I would not want anyone to think that the Senator from New York and the Senator from Michigan were in any way seeking to defeat the Senate proposal for finality. All of us had an obligation to stand by our principles, wherever we could, without sacrificing finality.

There could not have been two more cooperative Senators. I make the same statement about the Senator from West Virginia [Mr. RANDOLPH] and other Senators, with reference to their cooperativeness. Senator RANDOLPH stood with me. Those who disagreed were also cooperative.

Mr. MANSFIELD. Mr. President, will the Senator yield for a question? I would like to ask the Senator from Oregon a question or two. I understand he controls part of the time.

Mr. JAVITS. He does control part of the time. Of course, I will yield to the majority leader. I ask unanimous consent that the Senator may have time from the time in opposition at this time.

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

Mr. MANSFIELD. If I may, I wish to ask the distinguished senior Senator from Oregon if, in his opinion, when the resolution, Senate Joint Resolution 81, was passed by the Senate by a vote of 70 to 15, if it was considered a form of compulsory arbitration?

Mr. MORSE. Not at all.

Mr. MANSFIELD. Or was it otherwise?

Mr. MORSE. Quite otherwise. It provides for a very carefully worked out procedure for the settling of this matter in three 30-day periods: 30 days for mediation, 30 days for hearing, 30 days for the parties to make up their minds to accept the findings. But on the 91st day, it provides for settlement for 2 years unless the parties vary it.

Mr. MANSFIELD. It was not compulsory arbitration?

Mr. MORSE. It was not compulsory arbitration as we legally define it, no.

Mr. MANSFIELD. Referring to page 4 of the joint resolution, lines 8 to 10, I think the Senator from New York would be interested to see that, because of his words, the bill was saved from being a compulsory arbitration measure, because it requires the board to make a determination on the basis of "fair and equitable settlement within the limits of the collective bargaining and mediation efforts in this case."

Mr. MORSE. That has been the argument of the Senator from Oregon. That is known as collective bargaining, by mediation and finality. It is that language that does not let the special panel give consideration to the special board's arbitration efforts, incidentally, may I say, to his credit, that is the language of the Senator from New York, which I accepted.

Mr. MANSFIELD. Mr. President, in other words, if the Senator will yield further, the Special Board's determination under the bill passed by this body, Senate Joint Resolution 81, must be within the confines of the collective bargaining of the parties and the offers and counteroffers within the mediation efforts of the so-called Fahey Board, rather than within the decision of the Ginsburg Emergency Board, which was of a judicial character; is that correct?

Mr. MORSE. That is the point I have just made, plus the fact of the mediation proposals of the parties; not the mediation proposals of the Fahey Board, but the collective bargaining proposals of the parties.

The Senator from New York offered another amendment, which I accepted, which affords protection of the parties' right to appeal to the District Court of the District of Columbia. That is standard practice in the settlement of labor disputes; if a board goes beyond its terms of reference, it is subject to appeal and a court test.

Furthermore, the Senator from New York was careful to have written in here—and I accepted it—that the parties could call upon the special panel during that last 30-day period to meet with them and explain any part of its recommendations of which the parties were in doubt as to its meaning.

Mr. MANSFIELD. Mr. President, I thank the distinguished Senator from Oregon and also the distinguished Senator from New York for clarifying and emphasizing that what the Senate has already done is not compulsory arbitration, but is, in the words of the Senator, mediation toward finality. We have had this matter in our laps three times. I hope we will face up to it finally.

Mr. JAVITS. Mr. President, I yield myself 10 minutes. I resume where I left off.

I still face a very formidable task, as does the Senator from Michigan. The majority leader has now made it doubly clear that he is opposed to what we are proposing. The minority leader has done the same. My good friend from Oregon has indicated that he will vote for it, but he is not too enthusiastic about it. The Senator from West Virginia has indicated that he will stand by the proposal, for which I am grateful to him. I am grateful also to the Senator from Michigan for standing with me, nothwithstanding the vicissitudes which flow in this Chamber.

Mr. President, the role of a peacemaker is always formidable. The voice of reason, when there is a national railroad strike, is little heard in the land; but I think that is precisely what most people consider Senators to be here for. So in good spirit, and with determination, not dismayed in the least by what has occurred, I shall pursue this course because I know it to be right, and I hope very much that the majority of the Senate will feel the same way. Mr. President, this is the very time not to show resentment, the very time not to punish labor.

Mr. President, there are millions of workers in this country. You cannot run a country, as we are finding out in the riots in Newark and other places, with policemen, or even with the National Guard or the Armed Forces. We must have some agreement, some feeling by the citizen that he is getting a fair and just deal and that there is some official consideration for him and how he feels and acts.

That, Mr. President, is the purpose for this amendment. At the very moment when it would be possible to pass the Senate, and perhaps the House, I do not know, with some powerfully strong legislation, we say, "All right, Mr. Worker, you are going to be ordered back to work, based on the findings of a special board, but we will give you the protection that, if anything really goes wrong, Congress and the President of the United States may still protect you."

Mr. President, is there an excuse for our not doing so because we are concerned about being bothered by lobbyists? Is that the way we are going to legislate, because we are afraid that people will come and knock at our doors, and try to influence us to do something? Are we going to fail to do what is right because we do not want to be bothered? Mr. President, that is a shocking argu-

ment, no matter who makes it, in the Senate of the United States. What are we here for, and what kind of consciences and what kind of fortitude do we have?

Mr. President, no one has said that the amendment proposed by the Senator from Michigan and I will disturb finality. Of course it will not, Mr. President. That is very clear. I have every reason to suppose the President will sign the bill with this amendment in it, if that is the way it goes to the President.

Yet, Mr. President, the Senator from Arizona [Mr. FANNIN]—I do not know where he gets his information—says he thinks this proposal will not help the bill, but will hurt it, in the other body. I repeat, I do not know where he gets his information. Mine is precisely the contrary.

If the Senate is going to stand on its position, and not budge an inch, why should not the House do the same thing, and please every labor leader in the country, and butter itself up with labor? They run every 2 years. Mr. President. We run every 6. Why should they not do the same thing?

What do we want, Mr. President? Do we want another deadlock, which will bring us again and again to the disgraceful condition the United States faces todady? We know whose fault it is, Mr. President—ours and the President's. Do not ever forget that. We cannot rub that one out; it is not written in water. It is we and the President who have not passed legislation to deal with these situations. It is we and the President who have not been able to get together on a law which would have kept the trains running.

So who is kidding who in this business, Mr. President? We have a very grave responsibility, and had better handle it like Solons and Solomons, and not like angry men.

We will vote when the roll is called, Mr. President, as to what we are going to be. Are we to be dispassionate, helpful, cooperative legislators, or are we going to vent our spleen, are we going to show resentment, are we going to be angry? So we will stand on the Senate position, and the House will stand on the House position, and the railroads will be out.

I do not know whether my prescription will control, Mr. President, but I think it may. Certainly it has a better chance than standing foursquare and concretely on the Senate position, when we would not be compromising it at all by doing what the Senator from Michigan and I suggest, except to try to get enough votes on the other side so that something can be done.

It is most significant, Mr. President, as always happens in these situations, that the Senator from Texas [Mr. YARBOROUGH] is just as much opposed to this proposal as is the Senator from Florida [Mr. HOLLAND], though their motives are completely different. The Senator from Texas wants a 90-day extension; he does not want finality at all. The Senator from Florida wants absolute finality. But they are together on this issue. That is very significant, Mr. President, because it bears out exactly what I say: Do we want to invite deadlocks, or do we want to try to get a settlement?

Suppose the House does not agree. Suppose it again votes its 90 days, and we all get together again, as we did in that terribly frustrating conference, in which the Senator from Texas, the Senator from Oregon, and everybody concerned acted like saints. It was very interesting, Mr. President—it was so serious that there were no resentments; and yet we were absolutely, completely, hopelessly deadlocked.

There is no derogation of the Senate's position in what the Senator from Michigan and I are trying to do. I think it is very generous, and typically fair, of the Senator from Oregon, whatever his feelings about the matter, to say what he did about the competency of our position. It is not a very comfortable position in which we find ourselves, but it is one which the Senator from Michigan and I consider essential to the public interest. We do not embrace it with joy, gladness, and hosannas. Nobody does that, in a situation of this kind. All we are trying to do, Mr. President, is say to American labor, "Look, if this thing really goes haywire, if it goes wrong, there is some last resort."

That is all the amendment would do. It does not change finality. Every Senator knows as well as I do that the chances of reversing what a special board would do by a law, which is what it would require, passed by both Houses of Congress and signed by the President, is extremely remote. But that is what it means.

Mr. President, one other question to which I should like to address myself is the charge that Congress is fixing wages, hours, and conditions of employment. Mr. President, in the first place, we could not change one single line of the Special Board's determination. The Special Board's determination must stand or fall in totality. The only power which would reside in Congress and in the President would be to veto the whole thing and put us back where we are today.

We are in the position of many courts which do not seem to be afraid of the proposition when they have a record that is replete with detailed findings of fact and other evidence. The courts have said they will accept it unless there is fraud or gross impropriety in the findings which come to them.

We would be in exactly the same position. The only ground on which we would have cause to veto it—and it is inconceivable that we would do so otherwise—would be if there were gross fraud or impropriety or anything which would be shocking to the conscience.

This is something that labor ought to have. Labor ought to have this last resort and assurance, if necessary.

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

Mr. JAVITS. Mr. President, I yield myself an additional 4 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for an additional 4 minutes.

Mr. JAVITS. It is said that it would be a precedent. I think that is probably the most important reason for agreeing to the amendment. It is a way to make this an ad hoc measure and not a precedent.

This would be an ad hoc law and not a precedent which would make it possible for the final power to be in Congress. Otherwise, we would make a precedent of compulsory arbitration, the very subject on which there is so much antipathy in the hearts of American labor. Compulsory arbitration would thereby be laid down as a precedent.

Do not do that. Make it possible to bring the problem back to us. We can work out our will on it. This is not exercising a precedent. However, if we lay down the idea that a labor dispute will be concluded by a Special Board, that would set a precedent of compulsory arbitration.

I agree with the senior Senator from Oregon. I wrote things into the pending bill in a labored effort to keep the bill from being a precedent on compulsory arbitration.

By doing this, we would confine the board to that and not give them free reign.

In the final analysis, when we are hopelessly deadlocked between the House and the Senate, we introduce the final sanction that if everything goes wrong, the measure can come back to Congress, if the House and the Senate and the President will it.

I respectfully submit that this is a very small matter, and yet it could be a big matter if we suggest to the House of Representatives: "We are not inflexible."

We are not saying that we want it or else. We are not saying, "We are going to get it, or else."

The Members of the House of Representatives are just as determined and sensitive and temperamental and just as proud of being Representatives as we are of being Senators.

I have been here long enough to see this happen before when human beings just will not take it any more.

What guarantee have we that they will take it? Inflexibility generally breeds inflexibility.

We would be showing the Members of the House of Representatives that we are trying to meet the views of some of the members of that body. Are we going to get any less votes than we would get for the proposition they passed? We are bound to get more votes for the proposition they defeated. They defeated the Senate measure.

That is the logic of the situation. We would get more votes because the other measure prevailed there. The Members of the House want to grant a 90-day extension.

Mr. President, it is my duty, which I am proud to do, notwithstanding this very strong proposition and this very difficult task, to lay before the Senate the voice of reason. This is what I have tried to do.

I respectfully submit that if any other Senator has an improved solution which contains a little moderation by means of which we might easily have things our own way, in the interest of the millions upon millions who are involved, I hope that if the amendment of the junior Senator from Michigan and the senior Senator from New York is rejected, he will come forward with it.

I am not satisfied that we should stand inflexible in a situation in which we know we are obviously deadlocked.

We will make them vote on the record. So what? They will vote no and find some mighty good reason for it, too.

Mr. President, I hope that at the very least the Senators will have their minds open to this situation and the questions which we have presented. At least, I hope that they will give prayerful consideration to an effort designed to bring about agreement and break the deadlock.

Mr. President, I hope that we break this deadlock and get the trains rolling in the way we wish they would run.

I yield 5 minutes to the distinguished junior Senator from Michigan.

The PRESIDING OFFICER. The junior Senator from Michigan is recognized for 5 minutes.

Mr. GRIFFIN. Mr. President, I pay tribute to those of my Senate colleagues who served on this conference committee. In particular, I single out the senior Senator from Oregon [Mr. MORSE] for the leadership that he provided in an effort to uphold the Senate position throughout the deliberations of the conference committee.

As has already been stated by the distinguished senior Senator from Florida [Mr. HOLLAND], the senior Senator from Oregon in this particular situation has been a man of great courage, and he has been a man of his word, as he is demonstrating with regard to this particular amendment.

He has provided the Senate with great leadership on this particular legislative issue.

I have joined with the senior Senator from New York in coauthoring the pending amendment because I believe the Senate should have an opportunity to work its will on the proposition which came closest to winning the approval of the conferees of both Houses.

As has already been pointed out, the Senate conferees adopted this proposal by a vote of 8 to 2, and the House conferees, after careful consideration, came within one vote of adopting it.

I believe that at least the Senate should have the proposition presented and that the Senate should consider the very persuasive arguments which have been advanced by the Senator from New York [Mr. JAVITS].

This is no time, as he has pointed out, to ramrod through, with dogged determination, a particular position if we can accomplish what is in the public interest by at least giving some recognition to the fact that the House had taken a different position.

Call this what you will. If this is a face-saving device, there are times when face-saving devices serve a very useful purpose.

The pending amendment does preserve the principle of finality, and at the heart of the legislation fought for so hard by the senior Senator from Oregon is that principle.

On the other hand, realizing that we do have to win the approval of the House of Representatives, and realizing also that, whether it be with the guns of the Army or whatever, somehow or other we want the railroad workers to go back to work.

If this little modification, offered by the senior Senator from New York and the junior Senator from Michigan, can make it possible for railroad workers and for the Members of the House of Representatives to shift from positions they have taken in the past, it should be carefully considered.

By adopting this amendment, we can avoid saying to the House of Representatives, "Well, now, you are going to take the Senate-passed bill. We are going to ram it down your throat."

The modification we propose would provide a limited basis for review by a court of last appeal, in effect.

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

Mr. GRIFFIN. I yield.

Mr. CLARK. Mr. President, I do not know how I am going to vote. However, what is the answer of the Senator to the argument that by the Javits-Griffin proviso, Congress is placing itself outside the scope of proper legislative functions and infringing on what is either an executive or judicial prerogative, depending on how we look at it?

Mr. GRIFFIN. If we reserved to ourselves the power to modify the board's determination, to amend or change provision relating to wages and hours, or something of that kind, then I would accept that as a valid argument.

But the amendment would not do that. We propose to reserve only a power to veto, similar to the power which Congress has when a reorganization plan is proposed. I would assume that we would not exercise such a veto authority except in the remote possibility of fraud or if the Board to be appointed should go completely outside the terms or the frame of reference provided for in the statute.

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

Mr. JAVITS. I yield 2 additional minutes to the Senator from Michigan.

Mr. GRIFFIN. I assume that we would not seek to pass on every provision or the merits of the settlement determination.

The PRESIDING OFFICER. Will the Senator suspend? The Senate will be in order.

Mr. CLARK. What would happen if Congress did exercise its right of veto? Would the unions then be free to strike again?

Mr. GRIFFIN. If both Houses passed a resolution of disapproval, and if the President should sign such a joint resolution, then, and in that event only, we would be back where we are today. I believe everyone would agree that this is an extremely remote possibility.

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

Mr. GRIFFIN. I yield.

Mr. ERVIN. My question to the Senator is this: How can the Senate—or the House, for that matter—intelligently determine how it should vote on one report unless the Senate or the House, as the case may be, goes into the merits of the situation and determines that the report of the board is not just and fair?

Mr. GRIFFIN. I know that the Senator from North Carolina would agree with me that oftentimes a court will confine its review to a situation involving jurisdiction or fraud, without going into the merits of a particular case; and we, as a body, would be constrained, I would suggest, to do that in that event. At least, I would be arguing that that would be the extent to which we would review it.

Mr. ERVIN. I do not see how a court could ever determine that a cause of action should either be sustained or denied unless the court went into the evidence relating to that cause of action.

Mr. GRIFFIN. I might say that the hearings of the panel would be public, and a record would be available to individual Senators.

I wish to indicate that I will vote for the legislation, which the Senate passed before, if the proposed amendment fails. I will continue my support for the Senate position.

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

Mr. MORSE. I yield 2 additional minutes to the Senator from Michigan.

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

Mr. GRIFFIN. I yield.

Mr. FANNIN. Will the Senator agree that he is conjecturing as to how the House will vote on one or the other of the resolutions sent over—whether it contains his amendment or does not—for the reason that the House has never voted on the original resolution, so one cannot judge that they would be against that resolution?

Secondly, I would like to know why the Senator would feel that there is a greater possibility that the resolution as amended by his amendment would have greater acceptance than as it was originally passed by the Senate, by an overwhelming vote.

Mr. GRIFFIN. The Senator from Arizona is correct. It is my understanding that the other body has not voted on the Senate resolution on a rollcall vote. However, in effect, they rejected it by adopting an amendment; and in the absence of a whip check or a straw vote, I do not believe that any of us can say what the House will do. I have the feeling, knowing that a number of House Members spoke out very strongly in opposition to the Senate resolution, and knowing that they would like to vote for legislation today, that some Members of the House might find it very convenient and helpful if we were to send over a bill that is a little different from the bill passed earlier by the Senate.

Mr. FANNIN. I know that the Senator from Michigan is qualified in his field, and I realize that these questions perhaps are not exactly germane to what we are talking about, other than when we are conjecturing as to what the House will do. Will the Senator admit, so far as the resolution that was passed by the House is concerned, that it is just as distant in its application to Senate Joint Resolution 81, without the amendment, as it is to the resolution as amended, as he proposes?

The PRESIDING OFFICER. The time of the Senator from Michigan has expired. Does the Senator from Oregon yield additional time?

Mr. MORSE. Does the Senator from Michigan desire additional time?

Mr. GRIFFIN. The Senator from Arizona asked me a question. I do not have the time to answer it, and I do not believe I understand the question.

Mr. MORSE. I yield 2 additional minutes to the Senator from Michigan.

Mr. FANNIN. I say to the distinguished Senator from Michigan that the resolution, Senate Joint Resolution 81, as amended with his amendment, would be just as different, in comparison with the resolution passed by the House, as the original Senate Joint Resolution 81.

Mr. LONG of Louisiana. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. GRIFFIN. There, again, I suppose reasonable minds can differ. If this amendment were adopted, the legislation then pending would be closer to the earlier Senate-passed resolution than to the House-passed resolution. The House bill did not provide for finality—that is the major difference, I believe we can say with conviction that, if the amendment which the Senator from New York and I have sponsored, were adopted, we would still preserve the principle of finality. That is the major difference.

Mr. FANNIN. That is why I asked the question of the distinguished Senator from Michigan. We are talking about finality. The objection to the House voting was from the standpoint of finality, so they brought on a resolution not to provide for finality. The amendment of the Senator from New York and the Senator from Michigan does provide for finality. So I wonder why it would be any more palatable than the Senate Joint Resolution 81 we originally sent over.

Mr. GRIFFIN. The Senator is correct. It is a matter of conjecture. I believe, as a matter of human nature, that there is some greater likelihood that the House would take this amended version rather than the original version, but each person is entitled to his own view of that.

Mr. MORSE. Mr. President, I yield 5 minutes to the Senator from Wisconsin [Mr. NELSON].

Mr. NELSON. Mr. President, the strike by the employees and the lockout by the employers has created, without question, a national emergency, and it must be terminated immediately.

I do not believe that is disputed by any Members of this body. There is a dispute as to what procedures should be followed.

I believe it is a grave mistake to vote compulsory arbitration or compulsory mediation when we do have at hand, as an alternative, the House amendment. Rail service will resume as quickly under the House amendment as it will under the Senate proposal.

Tragically, this entire emergency could have been avoided last week, if last week we had simply agreed to a resolution extending the no-strike, no-lockout resolution for 30 days. Our failure to take that action made it possible, if not probable, that a strike and the lockouts would occur, as they have.

We should now concur in the House amendment, which does not include compulsory mediation or compulsory arbitration, but will immediately restore railroad service, and it is a resolution to which the House has already agreed. This will give the House approach a full opportunity to be tested, as it should be.

There is a fair chance that public hearings will create the climate for acceptance of the third special panel recommendation. If it does not, there is ample time to enact legislation to settle the issue, without interruption of rail service.

If, in fact, the conference had accepted the House amendment, we would not be in this mess. This, I might say, is not a statement based on hindsight. Several of us from the House side and the Senate side made that point repeatedly in the conference deliberations last week.

The pending amendment of the Senator from New York provides that if the new panel recomendation is rejected by the parties, it will go into effect, unless both Houses of Congress positively reject it by resolution.

Mr. President, this proposal would put the Congress in the direct business of arbitrating the merits of labor-management disputes. As a legislative body we have no qualifications whatever to sit in judgment of the details of labor-management disputes. This kind of responsibility requires, as everybody knows, the specialized education and experience of a professional mediator. The Congress has no such qualification. I can think of no group of people less qualified in such matters of arbitration and mediation than a politically elected legislative body. This is a bad precedent that will haunt us to the end of time. Even those who disagree with me about the passage of the original Senate resolution certainly should reject the amendment which would bring the Congress into a debate as to the merits of a recommended settlement by a professional board of arbitrators. I am not qualified to do it. I do not know of anybody in the Senate who is qualified to make that kind of judgment, with the exception of the senior Senator from Oregon [Mr. MORSE] who has acted in that capacity heretofore, who knows the law in labor-management disputes, and who has dealt with this kind of matter for years. I do not know of anybody else who is qualified to make that kind of judgment. It is the kind of judgment that we should not make here in this Chamber.

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

Mr. NELSON. I yield.

Mr. CLARK. Does the Senator think it is a legislative, executive, or judicial function to settle the railroad strike? Cannot a good argument be made to the effect that Congress, having passed the law, should sit in judgment of what the arbitrators do?

Mr. NELSON. They cannot. We are qualified to legislate guidelines and general rules, but we are not qualified to sit here and judge whether or not a complicated dispute in a particular industry was properly resolved by a professional board of arbitrators or mediators. If that were the case, we would be qualified to make that kind of judgment in connection with the electrical industry, the automobile industry, and the transportation industry all over the country. In my judgment, there is no Senator who is qualified to make that judgment except, as I have noted, the Senator from Oregon [Mr. MORSE].

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

Mr. MORSE. Mr. President, I yield 2 additional minutes to the Senator from Wisconsin.

Mr. NELSON. Mr. President, as I have said, there is no one who is qualified to make that judgment with the exception of the Senator from Oregon, who is professionally qualified in that respect.

Although I shall vote against the proposal of the Senator from Oregon, I would hope that those who favor it would have the wisdom to reject this amendment which would throw it back in our laps to debate and listen to arguments by employers and employees, and judgments may be made not on the basis of the merits, but on the basis of the ballot.

There has been talk in the Chamber about great political pressures in this matter. In some stories, mention is made of labor pressure. I have been on the conference for one solid month. I have not received one single telephone call or letter or communication from a single employer in America or a single labor leader in America. Mr. Siemiller, Mr. Ramsey, Mr. Biemiller, George Nelson, none of them have said anything to me. I have not felt any pressure at all. Someone is running around talking about pressure, but it has not been exerted on me.

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

Mr. NELSON. I yield.

Mr. PELL. Mr. President, I have had the same reaction as the Senator from Wisconsin. I think the stories have been vastly exaggerated.

Mr. MORSE. Mr. President, I yield 1 minute to the Senator from New York.

Mr. JAVITS. Mr. President, I shall not go over the arguments that have already been made. I think I have made my presentation as clearly as I am capable of making it. We have had Senators present who have heard the arguments.

However, in conclusion, I wish to say one thing. It seems to me a little amusing that Senators think it is absurd that Senators can vote yea or nay, up or down, on the detailed merits of a 100-page or 150-page revenue bill—and they have done it time and time again—and that they do not think they have the capacity to vote yea or nay on the overall fairness, if they have to, and to render a veto on some factual decisions made by a special board about railroad workers. I hazard the guess that there are as few tax experts in the Chamber as there are labor experts.

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

Mr. JAVITS. I yield.

Mr. NELSON. Is it not correct that the Senate and the House of Representatives are so constituted that they have committees with professional staffs that have the responsibility of considering tax measures, and the responsibility of considering public works measures, and many measures which are introduced; that there is a professional staff on the

majority side and the minority side of the conference of the Senate and the House of Representatives, and they may rely on the professional judgment and skill and understanding of the staff and those members.

There is no professional labor staff in the Congress to conduct hearings on the merits of the dispute and say that they have weighed the merits and make this recommendation. Is that not a vastly different distinction?

Mr. JAVITS. In my opinion it is not. The Committee on Labor and Public Welfare of the Senate—and I yield to no one in the capability of the minority counsel, and I do not believe that the Senator from Oregon would yield to anyone in connection with the capability of the majority counsel—will exercise the same expertise if they have to.

It must be remembered that this must be taken as a package, which is a big difference. I do not see any difference between my analogy on taxes and revenue and the situation with respect to labor.

Mr. LAUSCHE. Mr. President, will the Senator yield to me for 2 minutes?

Mr. MORSE. I yield 2 minutes to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I contemplate voting against the amendment of the Senators from New York and Michigan. I intend to do so primarily on three grounds. First, the legislative body of any government and especially of the United States, has never been intended to exercise the executive function. The legislative body declares rules and conduct. It prescribes procedures that shall apply in the adjudication of questions growing out of transgressions of law.

The proposal of the Senators from Michigan and New York introduces a new concept. We shall be the legislative body and also the executors of the law. I cannot join in that innovation being introduced into our system of government.

Second, the adoption of the amendment offered by the Senator from New York and the Senator from Michigan would leave us back where we have been—at the end of the so-called arbitration or mediation at the expiration of 30 days, when Congress and the President would veto the order. We would be back in the jungle. I cannot subscribe to that policy.

Third, in spite of the guilt color of the character of the Senate and House of Representatives, I do not want to witness a deluge of letters coming to Washington while the veto is pending, calling upon us to veto the measure. The time is at hand when we should enact a law, allow a court or an arbitration body to decide the dispute, and say to the people of the country that the law shall be supreme and must be obeyed. When we start to do that, we may achieve some advance in the stoppage of rioting, bombing, and disobedience to law and order.

Mr. ERVIN. Mr. President, will the Senator from Oregon yield time to me?

Mr. MORSE. I yield 2 minutes to the distinguished Senator from North Carolina.

Mr. ERVIN. Mr. President, I find myself unable to accept the analogy made by the distinguished Senator from New York between his amendment and a long revenue bill. When Congress considers a revenue bill, it has unlimited time in which to consider it. Under the amendment of the Senator from New York, Congress would have to find out what the truth is in respect to the justice of the Board's report within 20 days, or else would have to vote without knowing what the truth is in respect to its justice.

Neither can I accept the argument of the distinguished junior Senator from Michigan [Mr. GRIFFIN] that when the matter is referred to Congress, Congress should act like a court which has no jurisdiction of the matter. Congress cannot be likened to a court having no jurisdiction, because the amendment of the Senator from New York gives its jurisdiction. If Congress is to act intelligently, fairly, and justly, in the event the amendment of the Senator from New York is adopted, Congress would have to consider all the issues involved and find out what the truth is concerning them. Congress would have to do so; because the amendment gives it the jurisdiction to do so and thus makes it the duty of Congress to do so. But Congress is not constituted to investigate matters of this kind, as boards are. Hence, it should refer this dispute to the Board, according to the original bill, until the parties are ready to come to an agreement of their own.

Mr. MORSE. Mr. President, unless some other Senator desires to speak further, I am ready to yield back the remainder of my time.

Let me pay tribute to the Senator from Vermont [Mr. PROUTY]. As a member of the conference he was—if he will not object to the descriptive term I want to use about him—a giant of courage throughout the conference hearings in regard to what he considered to be his principles and the convictions for which he stood. I want publicly to congratulate him and to thank him for his support.

Mr. President, I yield such time to the Senator from Vermont as he may need within the time allotted to me.

Mr. PROUTY. I thank the Senator from Oregon for his kind remarks.

Mr. President, I voted for the pending amendment during the conference because I thought it offered a possible basis for a compromise between the two Houses.

Unfortunatley, that did not turn out to be true. The vote, as I recall it in the Senate, was 8 to 2, and in the House it was 5 to 4 or 6 to 4.

I might also point out that if my recollection is correct, I believe that two of the House conferees indicated this morning that this amendment was no more acceptable to them than the original resolution as approved by the Senate.

It occurs to me that this matter offers a possibility for compromise if the other body refuses to accept the original Senate version which, to my mind, is far more meaningful.

I think we should recognize that the cause for the strike is due to the actions of one or two individuals. It involves approximately 40,000 railroad workers. I am referring now to the Machinists Union which began the strike. The leaders of the 5 other shop craft unions voted against the strike last Friday, with only the Machinists insisting that they were going out on strike. It should be noted that the Machinists represent only 6 percent of the entire railroad labor force.

We have found that approximately three-quarters of the brotherhoods representing railroad employees have negotiated agreements with the railroads. I repeat that five of the six shop craft unions involved in this dispute voted against going out on strike. Obviously, now that the strike by the IAM has commenced, they can do nothing about it and their members will not cross the machinist's picket lines.

I can assure the Senate that other railroad labor leaders are incensed at the action taken by the Machinists Union. Off the record, they will paint a pretty sorry picture of what they think of the action taken by this union.

I think we have a responsibility to the American people to see that in the future we do not tolerate conditions of this nature which create national emergency situations. This is doubly true at present because we are faced with the war in South Vietnam.

I hope very much that the amendment of the senior Senator from New York will be rejected. I do appreciate very much however, the good faith and the sincerity of its sponsors. I admire and respect both authors.

Mr. JAVITS. I think it should be made clear that just as there were two Members who may have indicated that they will not be for this, there are also two who have indicated that they very well may.

Mr. PROUTY. That may be.

Mr. HARRIS. Mr. President, will the Senator from Oregon yield me 3 minutes.

Mr. MORSE. Mr. President, I yield 3 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 3 minutes.

Mr. HARRIS. Mr. President, the Senate today, in my judgment, is faced with two principles which are in opposition to each other. First, in my mind, there is the fact—with all due respect to the distinguished Senator from Oregon—that the substitute offered by him will provide for compulsory arbitration, which I oppose, although it may be restricted in this particular case to the facts of the case, and although it comes after all other attempts at settlement have failed.

Second, work stoppages on the railroads today constitute a national emergency and will hamper our efforts in Vietnam.

I have supported every effort to avert this national emergency short of providing for compulsory arbitration. For that reason, I voted against Senate Joint Resolution 81 when it originally passed the Senate, and with the hope that it might be amended by the House to avoid the work stoppages on the railroads short of compulsory arbitration.

Today, if we were allowed to vote on the motion offered by the distinguished Senator from Texas [Mr. YARBOROUGH], I would vote for that motion to accept the House amendment to Senate Joint

Resolution 81, removing what I consider to be the objectionable compulsory arbitration features of the bill as it passed the Senate.

But we will not get an opportunity to vote on the Yarborough motion because of the parliamentary situation. Thus, the only means to end the work stoppages, and to end the national emergency which they constitute, which is available to the Senate under the circumstances is the substitute motion offered by the distinguished Senator from Oregon [Mr. MORSE].

Therefore, Mr. President, I shall vote for the Morse substitute, making it very clear that my action is limited quite strictly to this particular case, its history, the wartime and national emergency situation under which it is presented, and the parliamentary situation which governs its consideration today, allowing no vote on alternative methods of ending the national emergency.

Mr. President, I shall vote against the Javits amendment, with all due respect to its distinguished author. I think that Congress should be involved less, rather than more, in individual labor-management disputes.

Mr. McINTYRE. Mr. President, late in April, when the President requested the Senate to approve a last-minute extension of the antistrike provisions of the Railway Labor Act, mine was the only negative vote. It was, in effect, a protest against the use of Congress in the settlement of labor-management disputes, against a stop-gap measure which postponed but failed to eliminate the inevitable day of reckoning.

The ineffectiveness of what was done then is evident now. The railroads are not operating. The public convenience has been impaired. The war effort has been harmed. The economy has been injured. The crisis is complete.

In the existing trauma, there will be congressional action. But it will come more through desperation than through deliberation.

The one bright note to be found in the railroad strike is the lesson it has taught: that matters essential to the national interest, no matter how involved, no matter how controversial or unpleasant, cannot be procrastinated away. The informed public knows this. Rightfully, they expected more from the Congress than they received. So did the parties involved in the strike itself.

Without further delay, effective legislation must be conceived and approved to prevent similar stoppages in the future. Doing it this way is doing it the hard way.

Congress can do better than that.

Mr. MORSE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York [Mr. JAVITS].

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Alaska [Mr. GRUENING] and the Senator from Ohio [Mr. YOUNG] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Maryland [Mr. BREWSTER], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Montana [Mr. METCALF], and the Senator from Georgia [Mr. TALMADGE] are necessarily absent.

I further announce that, if present and voting, the Senator from Maryland [Mr. BREWSTER] would vote nay.

Mr. KUCHEL. I announce that the Senator from New Jersey [Mr. CASE] is absent on official business.

The Senator from Nebraska [Mr. CURTIS] is absent because of the death of his daughter.

The Senator from Texas [Mr. TOWER] is necessarily absent.

If present and voting, the Senator from Nebraska [Mr. CURTIS] and the Senator from Texas [Mr. TOWER] would each vote "nay."

The result was announced—yeas 10, nays 79, as follows:

[No. 191 Leg.]

YEAS—10

Cooper	Kennedy, N.Y.	Randolph
Griffin	Morse	Williams, N.J.
Hartke	Pastore	
Javits	Pell	

NAYS—79

Aiken	Hart	Montoya
Allott	Hatfield	Morton
Baker	Hayden	Moss
Bartlett	Hickenlooper	Mundt
Bayh	Hill	Murphy
Bennett	Holland	Muskie
Bible	Hollings	Nelson
Boggs	Hruska	Pearson
Brooke	Inouye	Percy
Burdick	Jackson	Prouty
Byrd, Va.	Jordan, N.C.	Proxmire
Byrd, W. Va.	Jordan, Idaho	Ribicoff
Cannon	Kennedy, Mass.	Russell
Carlson	Kuchel	Scott
Church	Lausche	Smathers
Clark	Long, Mo.	Smith
Cotton	Long, La.	Sparkman
Dirksen	Magnuson	Spong
Dodd	Mansfield	Stennis
Dominick	McCarthy	Symington
Ellender	McClellan	Thurmond
Ervin	McGee	Tydings
Fannin	McGovern	Williams, Del.
Fong	McIntyre	Yarborough
Gore	Miller	Young, N. Dak.
Hansen	Mondale	
Harris	Monroney	

NOT VOTING—11

Anderson	Eastland	Talmadge
Brewster	Fulbright	Tower
Case	Gruening	Young, Ohio
Curtis	Metcalf	

So Mr. JAVITS' amendment, offered for himself and Mr. GRIFFIN, was rejected.

The VICE PRESIDENT. The question now recurs on the motion of the Senator from Oregon [Mr. MORSE] to concur in the House amendment with amendments.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. JAVITS. Is there time left for debate?

The VICE PRESIDENT. Will the Senator restate his inquiry?

Mr. JAVITS. Is there time left for debate before we vote on the Morse substitute?

The VICE PRESIDENT. There is no further time on the Morse substitute. If no further amendments are offered, this is the final question, and on this question there is an hour to be divided between the majority and minority leaders. Eight minutes have been used by the majority.

Mr. JAVITS. A further parliamentary inquiry, Mr. President. May any Senator offer an amendment to the substitute at this stage?

The VICE PRESIDENT. Any Senator may offer an amendment to this motion.

Mr. JAVITS. Is this the only point at which he may offer it, or may he offer it during the pendency of the debate, until its conclusion?

The VICE PRESIDENT. If this particular motion of the Senator from Oregon is agreed to, then the debate is over.

Mr. JAVITS. I understand that, but I meant that there is time for debate on the motion of the Senator from Oregon?

The VICE PRESIDENT. No. The remaining time at this time is under the control of the two leaders.

Mr. JAVITS. May any Senator offer an amendment while that debate continues?

The VICE PRESIDENT. The leadership is in charge of the remaining time, and during that time the leadership may yield to any Senator it sees fit. When no one has been yielded time, any Senator recognized could offer an amendment.

Mr. JAVITS. I thank the Chair.

The VICE PRESIDENT. The Senator from Oregon is recognized.

Mr. MORSE. Mr. President, may I have the attention of the majority leader? The Senator from Texas would like some time.

Mr. MANSFIELD. Yes, indeed. How much time does the Senator from Texas request?

Mr. YARBOROUGH. Five minutes. First, Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. YARBOROUGH. If the Morse amendment is defeated——

Mr. MANSFIELD. Mr. President, I yield 2 minutes for that purpose out of time on the bill.

Mr. YARBOROUGH. If the Morse amendment is defeated, would the question then recur on the proposition of the Senate concurring in the House-passed bill, which is now the primary motion before the Senate?

The VICE PRESIDENT. If the motion of the Senator from Oregon is defeated, then the question would recur on the simple motion to concur, which is the motion, I believe, of the Senator from Texas.

Mr. YARBOROUGH. That is correct. I thank the Chair.

Mr. MANSFIELD. Mr. President, I yield 5 minutes to the Senator from Texas.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

Mr. YARBOROUGH. Mr. President, I

trust that will not be taken out of my time.

Mr. DIRKSEN. I yield myself time. I have time.

The VICE PRESIDENT. The Senator from Illinois is recognized.

Mr. DIRKSEN. Mr. President, am I correct in my understanding that the Morse substitute is identical with the bill that we passed before, with the exception of the addition of a few words that were suggested by the Attorney General to bring it up to date, in view of the fact that the strike is now a thing in being, where heretofore it was not, and the Attorney General felt, under the law, that those words had to be inserted in order to take care of that situation, or otherwise the President would be without power?

The VICE PRESIDENT. The Chair would suggest that the Senator from Oregon is in the best position to answer that inquiry.

Mr. MORSE. Mr. President, may I say to the Senator from Illinois and to the Senate, as I said earlier this morning, the Morse substitute is identical with the Senate bill, save and except the few words that have been added upon the recommendation of the Attorney General of the United States, to make it possible for him to bring the necessary court action to end the strike. That involves section 6. This is the Attorney General's language to me:

> The provisions of the final paragraph of section 10 of the Railway Labor Act (45 U.S.C. 160), as heretofore extended by law, shall be hereby reinstated and—

"Reinstated and" are the new words—

> extended until 12:01 o'clock antemeridian of the ninety-first day after enactment of this resolution with respect to the dispute referred to in Executive Order 11324, January 28, 1967.

That makes it possible for him to proceed with court action to end the strike.

The VICE PRESIDENT. The Senator from Texas may proceed.

Mr. YARBOROUGH. Mr. President, the question is now on whether or not the Senate will accept the Morse amendment to the House-passed resolution. I have made a motion, as chairman of the conferees, that the Senate concur in the House amendments to Senate Joint Resolution 81.

Briefly, the point is this: Senate Joint Resolution 81, as passed by the Senate, provided for compulsory arbitration. The House conferees took that provision out. They left the same 90-day provision for negotiation, public hearings and findings of the emergency board, but took out the provision of compulsory arbitration. In voting on the Morse amendment, we are voting on whether we are going to put compulsory arbitration on the parties.

Let me point out to my fellow Senators, Mr. President, that when the committee made its report here on the sixth day of June, the majority found that the recommendation of the Special Mediation Panel appointed by President Johnson, presided over by Judge Charles Fahey, was rejected, and the proposal was found to be unacceptable, in whole or in part, by both parties. This was not a rejection solely by labor; it was a rejection by management and labor together.

I wish to read into the RECORD at this point, Mr. President, certain telegrams I have received today.

The first is from W. C. Lester, general chairman, Brotherhood of Railroad Trainman, B. & O. systems:

> No strike on property. Lockout by B. & O. Railroad prevents men from working causing national disaster.

Another telegram, from Lester Kimball, general chairman, Brotherhood of Railroad Trainmen, Richmond, Fredericksburg & Potomac Railroad, reads as follows:

> There is no strike or pickets on the RF & P RR. This railroad is causing an emergency without cause.

Another telegram, from G. W. Roberts, general chairman, Brotherhood of Railroad Trainmen, Erie & Lackawanna Railroad, reads:

> No strike on Erie Lackawanna Railroad. Lockout by this carrier prevents men from working causing national disaster.

A telegram from C. E. Wible, general chairman, Brotherhood of Railroad Trainmen, Pennsylvania Railroad, Lines East, reads:

> Be advised the Penna Railroad Co. suspended its operation and eliminated employee positions on July 16, 1967. Such could not be regarded as other than a lockout.

A telegram from M. S. Stuckey, general chairman, Brotherhood of Railroad Trainmen, Illinois Central Railroad, reads:

> There is no strike on the Illinois Central Railroad. The lockout by the carriers will not allow men to go to work which is causing a national disaster. I am reliably informed that all railroad managements plan to stop operations any time in the future that one craft of employees withdraw their labor in a legal strike so as to cause a national emergency in the transportation industry.

The PRESIDING OFFICER (Mr. HOLLINGS in the chair). The Senate will be in order. The Senator from Texas may proceed.

Mr. YARBOROUGH. Mr. President, I think we all agree that there is a great emergency here. If we want to end it, we can do it, Mr. President. All we have to do is vote down the Morse amendment. We can vote on the primary motion to concur with the House in 30 minutes and have it on the President's desk by 4:30. If we agree to the Morse amendment, I remind the Senate that the House previously voted it down by a vote of 186 to 105. I do not know what the House will do today, but Senators know that those 186 are not going to take it lying down. We will delay the matter, if in no other way, by causing debate in the House.

Senators who wish to end the strike quickly, and put the bill on the President's desk now are reminded that it is not a case of all the fault being on one side. I am not condemning the railroads and I am not condemning the brotherhoods and the shopworkers. This is a longstanding dispute of about 5 years, which reached its critical stage during the past year.

I am opposed to compulsory arbitration, because it destroys free collective bargaining, and robs labor of its rights. I stand for a fair break for capital and labor both.

When the Senate passed this joint resolution on June 7, I said I would vote for whatever recommendation the conference sent back. The conference did not send any recommendation back. We broke up after splitting 6 to 5 on the Senate side and 4 to 5 on the House side on most proposals. I think after another week we could have reached agreement. But the Senate majority, in reporting from the Labor Committee, said, "This is not an extraordinary procedure, but it is an extraordinary bill legislatively, because we have not legislated this type of procedure before."

Make no mistake about it. We are doing something new. As the able senior Senator from Oregon—and there is no abler man in this country in the field of labor law—said, "We have not done this before in Congress."

I say this is not the time to do this. If we vote against the Morse amendment, we are not voting for the work stoppage, if that is the term we wish to use.

If we vote against the Morse amendment, we are voting for a quick solution to be achieved by sending the House amendment to the Senate bill to the President's desk now. We can do it before 4:30.

Mr. President, although the Nation is now facing extensive work stoppage in the railroad industry, the Senate should not act without proper discretion and deliberation. The fact that there is presently a work stoppage of nationwide proportions affects only the timing of finding a solution and does not affect the nature of the solution which should be agreed upon. The only pressure that should derive from the present railroad work stoppage is the pressure to act quickly, but that does not mean the Congress should be pressured into a solution that would deprive the American laboring man of either his rights or his bargaining power. We should act quickly but not wrongly.

I would be the last person to claim that the present work stoppage was not affecting our defense effort and interrupting a large portion of our national commerce. However, I would be the first to remind the Congress that it is a result of American citizens exercising their rights. There have been no illegal acts committed in this situation. There are no criminal actions. And for that reason Congress should not act out of motivations of revenge or punishment.

Certainly we could talk about public interest and whether or not the present situation took due notice of the public interest. But we should not forget that the conference which has been held between the House and the Senate has had several proposals before it which would have prevented this strike and yet not legislated compulsory arbitration. To debate public interest now is to obscure two facts: First, there have been proposals before the Congress and in conference which would have upheld the public interest and not entailed compulsory arbitration; and second, the Congress can

still and should pass legislation in the public interest which does not involve the onus of compulsory arbitration. Events which have intervened since the Senate last considered this legislation do not change the nature of the problem or the nature of the solution which we should legislate. Compulsory arbitration remains the same whether considered during times when strikes are prohibited or during times when there are work stoppages. Camouflaging compulsory arbitration in the trappings of "public interest" is to avoid the real issue which is before the Congress: Should a man be forced to labor for wages for which he cannot bargain?

I have been against legislating compulsory arbitration in the past and I am presently against legislating compulsory arbitration. To act as though this is the only alternative before the Congress is to give up faith in collective bargaining—a step which I cannot take and do not feel justified in setting as a precedent for American labor.

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

Mr. MORSE. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 1 minute.

Mr. MORSE. Mr. President, let there be no misunderstanding. All that my measure would do is to restate the resolution that the Senate already passed by a vote of 70 to 15. It adds two words that the Attorney General of the United States sent to us, so that he would have the basis for going into court and ending the work stoppage.

I say to my very good friend, the senior Senator from Texas, that, although the Senator referred to a House vote, the House has never had a rollcall vote on the Senate proposal.

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

Mr. MORSE. They had a teller vote. They never had a rollcall vote on the Senate proposal.

Mr. YARBOROUGH. There was a teller vote.

Mr. MORSE. The Senator is correct. There was a teller vote.

One of the House conferees described that process of a teller vote in the House as voting in rushing for the door.

The Members of the House never went on record.

We all know how critical the situation is in this hour. Every hour is costing the American people millions of dollars, and as the Secretary of Defense pointed out in the Cabinet Room yesterday afternoon, we have also got a question of morale in this country. Here is a country at war, and we are going to bring this country to its economic knees because one union primarily started to walk out and is spreading the walkout across the country.

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

Mr. MORSE. Mr. President, I yield myself 1 additional minute.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 1 additional minute.

Mr. MORSE. Mr. President, I shall say one additional thing, and it will be the last thing that I will have to say on the matter, for I will be ready to yield back my time.

The issue is whether the Senate will serve notice on the American people that it is sustaining the rule of law in this country in an hour of great crisis or is proposing a procedure that will send us up that mountain again in October for the third time.

When I make the statement that I shall now make in support of the Morse resolution, I am making a statement supported by this administration presided over by a commander-in-chief that has the solemn responsibility of protecting the people of this country in an hour of great emergency.

Let the Senators stand up and be counted. However, as far as the Senator from Oregon is concerned, I urge the Senate to repeat the position it took on June 7 and vote again by an overwhelming vote that we serve notice that in a regulated industry the public interest is superior to the selfish, economic interest of any carrier group or any worker group in this country.

Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I yield 3 minutes to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 3 minutes.

Mr. NELSON. Mr. President, the Senator from Oregon made the point that every hour is costing the American people millions of dollars, and I think that is a correct statement.

The fact of the matter is that if we reject the Morse resolution and accept the House amendment, we will settle this matter several hours sooner.

The House, in conference, voted down over a period of time every single proposal for finality that was made.

We have no assurance that they will not vote down this proposal for finality.

We have a very simple procedure to follow.

If we reject the amendment of the senior Senator from Oregon and accept the House version, the House will agree to the bill in 30 minutes and the lockout and strike will be over.

If the proposal of the panel is not acceptable to both Houses of Congress, we will have plenty of time to go to the matter of finality.

This will create a lesser problem and occasion less delay and give us a chance to find out whether the House proposal will work.

It will not cost a single hour more of delay. In fact, it will take less time than would the proposal of the senior Senator from Oregon.

It is regrettable that we have not acted before. If we had agreed to the House proposal last week, we would not now be in this mess.

Mr. MANSFIELD. Mr. President, I yield 1 minute to the Senator from Iowa [Mr. MILLER] and then 2 minutes to the senior Senator from New York [Mr. JAVITS].

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. MILLER. Mr. President, I thank the Senator from Montana for yielding.

Mr. President, I say in rebuttal to the statement of my colleague that it was pointed out in a colloquy with the senior Senator from Oregon that the House has never had a rollcall vote on this House bill.

It seems to me that we ought to expect them to have it.

There is a new ball game now and there is a strike on.

If the House rejects the Senate bill, let us get on to some other proposal. However, we ought to expect the House to have a rollcall vote on what the Senate has passed. That procedure has not yet been available.

The PRESIDING OFFICER. The senior Senator from New York is recognized.

Mr. JAVITS. Mr. President, we are faced with a deplorable situation no matter which way we turn. I feel it my duty as a Senator and as the ranking minority member of this particular committee and subcommittee to discharge my responsibility.

It would be so easy to vote no on this matter and avoid the responsibility. I cannot do that.

I have done my utmost to fashion a reasonable solution. I thought it would be very unwise for us to remain absolutely fixed and inflexible in the Senate position. Nevertheless, given the alternative of joining with my colleagues—and there is obviously a big majority here—and assuming a vote of responsibility and that of leaving it for reasons of personal convenience at this point, I think the decision must be made to join in accepting the responsibility for an end to the national emergency to which we have been brought. To continue such an emergency cannot help but can only hurt American labor.

Mr. President, I hope very much that it works well, but I use my time merely to point out that our country is in the gravest peril. As people like me have been saying for months—and the senior Senator from Oregon has joined with me in this—we do not have law to meet these emergencies. It is our fault and the fault of the President.

For 18 months we have expected the President to recommend a measure to meet just such an emergency. And, we are now in this vulnerable position of being compelled at the 59th minute of the 11th hour to improvise something that is generally an unwise remedy to deal with an easily foretellable national emergency.

Mr. President, today the situation involves railroads. Tomorrow it may involve rubber, automobiles, or ships. We will be up against the same danger.

What labor really ought to take us to task for is not the passage of the pending bill because there is no other alternative to getting underway and getting the railroads rolling.

What labor really ought to take us and the President to task for is the terrible neglect in leaving the country in this position without a basic law to rely on.

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

Mr. JAVITS. Mr. President, I yield myself 1 additional minute.

The PRESIDING OFFICER. The

Senator from New York is recognized for an additional minute.

Mr. JAVITS. Mr. President, I hope very much that we will recognize, now that we have actually seen the day when the fact that law is not on the books has caused such a great emergency that we will act at last to get permanent legislation by holding hearings upon the measures introduced by me and by other Senators.

I have no particular pride in my proposal. The one thing I am sure of, however, is that such permanent legislation should not be for compulsory arbitration.

Let us arrive at the best method there is by which to settle this matter. However, let us have some provisions on the statute books of the Nation so that the United States cannot be stopped as it was stopped at midnight Saturday night.

I do, however, want to take this final opportunity to state my reasons for voting for this bill. First and foremost, this country, for the reasons so well developed at the extensive hearings on this bill during April, May, and June, cannot live with a stoppage of our vast railroad system. Continuing such a strike and lockout would result in what, to all intents and purposes, would be a general strike at this time when war is going on in Vietnam.

Second, although this legislation does contain an element of finality, there are important differences between it and compulsory arbitration as that term is generally understood. Under an amendment which I introduced, the special board, in making its determination is strictly limited—it must stay within the limits of the collective bargaining and mediation which have already taken place in this dispute.

Third, during the debate today and earlier, it has been made clear in the legislative history that this is special legislation only for this dispute, which is not a precedent. I have stated before on the floor of the Senate and I state it again now: I would not vote for this bill as permanent law to deal with national emergency labor disputes.

Fourth, the Railway Labor Act, itself, contemplates finality and this is one of the relatively rare instances in which it has failed to work.

For permanent legislation, my advocacy of limited, court supervised, seizure is well known. It is my expectation that hearings will begin in the near future on my bill, S. 1486 which would authorize such limited seizure in a situation like the one which now confronts us. Unfortunately it was simply not possible to secure assent to seizure in the crisis atmosphere which has prevailed while the legislation which is now before us has been considered. My own seizure amendment, as well as other seizure amendments were decisively defeated either in committee or on the floor of the Senate, and a similar fate befell various types of seizure amendments offered in the House and in the House-Senate conference.

Thus, it was either the legislation which is now before us or no legislation at all. I say this advisedly, because I know there are some who will ask, "Why not the House bill, which does not have any type of finality?" Mr. President, if I thought that there was any chance—any chance at all that this dispute might be settled by another 90-day extension, alone, I would be leading the fight for the House version. But we must face reality. The sad fact is that since the last 47-day extension was enacted on May 3, 1967, there has been no serious bargaining between the parties. Thus for over 75 days now the parties have had a chance to reach a voluntary settlement but have failed to do so. Under these circumstances, to expect them to reach one now is wishful thinking. The situation is too much of a national emergency for us to engage in that now.

The truth is that the parties are hopelessly deadlocked and clearly will remain so unless and until we act to assure some final end to the dispute.

Thus, Mr. President, although I am unalterably opposed to compulsory arbitration as a permanent method of solving labor disputes, even if they are of a national emergency character, I shall vote for this bill as the only possible way in which we can now extricate ourselves from the danger we are in because we have no permanent law. A bill must be gotten on its way to the other body and this is the only bill capable of being sent underway.

It is my fervent hope that organized labor and management will perhaps now realize the utter futility of proceeding on an individual case basis to deal with these emergencies. There are better long-range solutions than the one before us, but the one before us is the only way we can avert an immediate catastrophe. I fully believe that if and when we can consider this problem in a noncrisis atmosphere, the virtue of other solutions, such as limited seizure, can be more fully explored and, I hope, more readily accepted.

Mr. McGEE. Mr. President, once again we approach the railway strike issue. Now, however, the consideration of this very difficult question has been complicated by the emotions set loose by the fact that the strike has begun. The temptation to be stampeded into a hasty, ill-advised settlement of a complex issue is great indeed. It is important to remind ourselves that the substance of the problem we have all struggled over for so long has not been altered in the slightest. The principle of free, collective bargaining is no less present now than it has been in the past. And the central issue in the whole controversy remains the same—compulsory arbitration—a concept which is totally alien to balanced labor-management relations.

The current strike, therefore, is no occasion for losing our perspective. Long after the heat of the present tension subsides, we will still have to live with the legislation which we enact here today. Whatever else, let us not legislate in anger or in a sense of pique at personal inconvenience or from a sense of emotionalism or out of fear or a feeling of panic. Let us make certain that our action will stand the test of time; that it be wise enough in its content and fair enough in its consequences to permit us to stand by it after the tempers of the moment have cooled.

THE RAILROAD STRIKE MUST END QUICKLY

Mr. BENNETT. Mr. President, Congress and the American people are faced today with a major railroad strike. For the first time in more than 20 years our Nation's railroads have ceased to operate. This comes at a time when we are involved in a major foreign war and will very adversely affect millions of Americans besides those who are on strike. We clearly face a national crisis. Once again the Congress is being asked to enact some kind of legislation to prevent this type of abuse of the general public.

The railroad dispute is more than a year old. The President has exhausted all of the executive alternatives open to him. Several boards and panels have been convened and their recommendations have been rejected. Several weeks ago the Senate voted by a margin of 70 to 15 a resolution extending the strike deadline period for 30 days, and if no settlement were reached within that period, compulsory arbitration provisions would go into effect. The House did not accept this bill, and this morning both Senate and House conferees admitted to the Congress and to the public that they were hopelessly deadlocked over the compulsory arbitration provisions.

In the state of the Union message in January 1966, the President informed the American people and the Congress that he intended to submit to the Congress legislation designed to prevent this type of national disaster. This the President has failed to do, and he must bear a large share of the responsibility for the railroad strike which is now a fact in this Nation. Commuters are stranded. Millions of workers will be adversely affected within a few days and many millions of dollars in wages and profits will be lost. In our own State of Utah critical farm commodities will perish if they are not moved in the next 48 hours. Most critical, however, is the fact that munitions trains moving to the west coast have now come to a stop and our fighting men in Vietnam soon will feel this pinch if the strike continues.

I voted for the legislation in the Senate today to prevent the strike and to impose a final settlement upon the parties if they cannot reach an agreement independently. I supported this position when Senate Joint Resolution 81 passed the Senate several weeks ago. The time has come to remedy the President's failure to submit adequate strike legislation. The disaster facing the Nation as a result of this strike must end.

Mr. FANNIN. Mr. President, if nothing else, the railroad strike proves once again the need for permanent legislation to deal with strikes and walkouts that adversely affect the national interest. The strike clearly illustrates the futility of Congress acting as referee in labor-management disputes, especially long after the situation at hand has clearly and repeatedly demonstrated the need for a permanent answer, as it has in the railroad controversy.

It is clear to me, a member of the Senate-House conference committee that has spent many weeks working on this problem, that an agreement between labor

and management will not be forthcoming, primarily because certain union leaders—representing only a small percentage of the workers affected—have not bargained in good faith, but for their own personal gains. Throughout these extended negotiations their attitude largely has been one of arrogance and indifference, not only to the Nation's interest but also to the interest of those they profess to serve. In refusing an equitable settlement, in adamantly opposing special Presidential board recommendations, these few union leaders have apparently dismissed from their minds the tragic effect this railroad strike will have on the Nation's military effort in Vietnam, where a shortage of military armaments and supplies would endanger the lives of American fighting men and undermine our war effort.

Economically speaking, even a strike of short duration will be costly, prohibitively so. Already farmers in Arizona and California, to cite just two States, are threatened with crop losses of many millions of dollars, and a similar situation doubtless exists throughout the Nation's agricultural regions. If action is not taken immediately to prevent this catastrophe, not only will the American farmer suffer great losses, but the housewife will be forced to pay higher prices at her neighborhood supermarket, at a time of course when the price of agricultural products already is at an all-time-high level.

Another important consideration is the tragic effect this strike will have, is having, on the railroads themselves. As I mentioned in an earlier floor statement, within a relatively short period of time one or more railroads could be forced into bankruptcy. The railroad industry simply is not in a position to withstand a costly strike, in part because it is Government regulated as to the wages it must pay and the services it must provide. The working capital of class I railroads in 1966 was only $478 million, down from $1.6 billion just 21 years earlier. And even those figures are too optimistic. When taken as a whole, they do not reveal the fact that while a few railroads are relatively well off financially, the great majority are not, and therefore could not survive a strike.

The time clearly has come for union leaders to put the welfare of the Nation ahead of their own and to work for permanent legislation that will protect all interests involved.

Meanwhile, however, it is the responsibility of Congress to end the strike and to enact necessary permanent legislation, thereby ending once and for all the growing tendency to involve itself in labor-management disputes. This practice can only weaken the normal process of collective bargaining, much to the disadvantage of labor, management, and the public generally.

Mr. MANSFIELD. Mr. President, I yield back the remainder of my time.

Mr. JAVITS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the motion of the Senator from Oregon to concur in the House amendment with amendments. On this question, the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Alaska [Mr. GRUENING] and the Senator from Ohio [Mr. YOUNG] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Maryland [Mr. BREWSTER], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Montana [Mr. METCALF], and the Senator from Georgia [Mr. TALMADGE] are necessarily absent.

I further announce that the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Maryland [Mr. BREWSTER]. If present and voting the Senator from Mississippi would vote "yea," and the Senator from Maryland would vote "nay."

Mr. KUCHEL. I announce that the Senator from New Jersey [Mr. CASE] is absent on official business.

The Senator from Nebraska [Mr. CURTIS] is absent because of the death of his daughter.

The Senator from Texas [Mr. TOWER] is necessarily absent.

On this vote, the Senator from Nebraska [Mr. CURTIS] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Texas would vote "nay."

The result was announced—yeas 68, nays 21, as follows:

[No. 192 Leg.]

YEAS—68

Aiken	Hansen	Morton
Allott	Harris	Mundt
Baker	Hart	Murphy
Bennett	Hatfield	Muskie
Bible	Hayden	Pastore
Boggs	Hickenlooper	Pearson
Burdick	Hill	Percy
Byrd, Va.	Holland	Prouty
Byrd, W. Va.	Hollings	Randolph
Cannon	Hruska	Ribicoff
Carlson	Javits	Russell
Clark	Jordan, N.C.	Scott
Cooper	Jordan, Idaho	Smathers
Cotton	Kuchel	Smith
Dirksen	Lausche	Sparkman
Dodd	Long, La.	Spong
Dominick	Mansfield	Stennis
Ellender	McClellan	Symington
Ervin	McGovern	Thurmond
Fannin	McIntyre	Tydings
Fong	Miller	Williams, Del.
Gore	Monroney	Young, N. Dak.
Griffin	Morse	

NAYS—21

Bartlett	Kennedy, Mass.	Montoya
Bayh	Kennedy, N.Y.	Moss
Brooke	Long, Mo.	Nelson
Church	Magnuson	Pell
Hartke	McCarthy	Proxmire
Inouye	McGee	Williams, N.J.
Jackson	Mondale	Yarborough

NOT VOTING—11

Anderson	Eastland	Talmadge
Brewster	Fulbright	Tower
Case	Gruening	Young, Ohio
Curtis	Metcalf	

So Mr. MORSE's motion was agreed to.

Mr. MANSFIELD. Mr. President, the Senate's vote to concur in the House amendment with an amendment represents an outstanding triumph for the senior Senator from Oregon [Mr. MORSE]. The Senate has endorsed once again a means to enable the successful resolution of what has developed over the weekend into a national crisis—the shutdown of most of our rail carriers.

Senator MORSE has lived with this problem ever since the threat of a rail strike presented itself some months ago. The solution he proposed, advocated and so ably directed, in committee, in conference and on the floor, was first adopted last June 7, when a rail strike was imminent. The reality of the strike today made the success of his proposal even more imperative. The Senate, indeed, the Nation, certainly appreciates his long and diligent efforts in seeing that this proposed solution was again voted favorably by the Senate.

The senior Senator from New York [Mr. JAVITS] performed a vital task in supporting this measure. While he urged a somewhat different approach, the defeat of that effort can in no way be construed to minimize the importance of his overall support to the successful passage of the measure. His advocacy, his wisdom and his tireless labors assured its adoption.

The senior Senator from Texas [Mr. YARBOROUGH] deserves high praise for urging his own strong and sincere views in leading the opposition. He is to be commended for his generous cooperation and for in no way inhibiting or impeding the Senate's efficient disposition of the matter.

Other Senators similarly should be commended for joining the discussion. Noteworthy were the views of the junior Senator from Wisconsin [Mr. NELSON], the junior Senator from Michigan [Mr. GRIFFIN], the senior Senator from Florida [Mr. HOLLAND], and the junior Senator from Oklahoma [Mr. HARRIS].

We are grateful also to the Senate conferees, led by Senator YARBOROUGH, for so generously lending their collective strong efforts to reaching a solution in conference. The fact that a compromise could not be agreed upon in no way reflects upon their diligent labors to find such an accord.

Finally, while the vote was not unanimous, it certainly speaks clearly for the desires of a vast majority of the Members of this body who wish to see the present strike ended as quickly as possible and who feel that an end to the strike now will keep to a minimum its adverse effects upon our national interests.

VIRGIN ISLANDS ELECTIVE GOVERNOR ACT

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 450) to provide for the popular election of the Governor of the Virgin Islands, and for other purposes.

Mr. DOMINICK. Mr. President, on June 28, 1967, I mentioned on the floor of the Senate my concern for the existing political situation in the Virgin Islands. As S. 450 will soon be considered, I would like to commend two articles to the attention of the Senate.

On July 13, 1967, the Baltimore Sun carried a front-page story regarding the political and economic conditions in the Virgin Islands. One of the more interesting aspects of this particular article was the revelation that other attempts have been made to investigate the conditions in the Virgin Islands which never mate-

rialized because of unexplained, and to me somewhat curious circumstances. I refer to that portion of the article which states:

The last full Congressional inquiry into the Virgin Islands government was undertaken in 1935 by a committee headed by the late Senator Millard E. Tydings (D., Md.)

Ordered to investigate charges of waste and corruption, it was called off after a hurriedly arranged conference July 10, 1935, between the Senator, then chairman of the Territories Committee, and the late President Franklin D. Roosevelt.

I hasten to add, Mr. President, that the efforts of my distinguished senior colleague [Mr. ALLOTT] to recommit S. 450 to the Senate Interior and Insular Affairs Committee are the result of the same frustration to get an up-to-date examination of the political and economic conditions in the Virgin Islands with a view toward amending the Organic Act of 1954 to provide greater participation by the citizens of these islands, by the elective process, in the selection of their local officials as well as the Governor.

I ask unanimous consent that the entire Sun article be printed at the conclusion of my remarks.

Also, Mr. President, I should like to draw the Senate's attention to an article which appeared on the editorial page in the July 16, 1967, edition of the Washington Star. This article, I believe, provides the Senate with a great deal of factual information which I think will be of real assistance to Senators in their consideration of S. 450 in its present form. These facts, I believe, lend substantial weight to the rationale behind the need to recommit that bill for greater reexamination and determination. I ask unanimous consent that the Star article be printed in the RECORD.

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

[From the Baltimore Sun, July 13, 1967]

VIRGIN ISLANDS PROBE URGED BY SENATOR ALLOTT

(By Jonathan Cottin)

WASHINGTON.—Senator Gordon Allott (R., Col.) called today for a full-scale Congressional investigation of the Virgin Islands government, charging that leadership on the American Caribbean outpost has "abused" the peoples' rights.

In a statement released today, Senator Allott charged that the Government wasted heavy Federal subsidies, extracted political loyalty oaths from government officials and refused to allow some citizens to vote.

The Colorado Republican also alleged that "four lifeguards, five maids and six chauffeurs" are assigned to Governor Ralph M. Paiewonsky.

Senator Allott's call for an investigation came as the Senate prepared to consider later this week a bill that would permit their own governor, Paiewonsky, a Democrat, was named by the late President Kennedy.

1935 PROBE CALLED OFF

The last full Congressional inquiry into the Virgin Island government was undertaken in 1935 by a committee headed by the late Senator Millard E. Tydings (D., Md.)

Ordered to investigate charges of waste and corruption, it was called off after a hurriedly arranged conference July 10, 1935, between the Senator, then chairman of the Territories Committee, and the late President Franklin D. Roosevelt.

Senator Allott said an investigation, rather than approval of the govern-election bill, is warranted because "unfortunately, evidence points dramatically" that the islands are not ready for more independence.

In support of his position, Senator Allott said:

1. Almost 800 of 4,000 island government employes are political appointed outside the merit-system, "a shocking abuse of power."

2. One unnamed government employe told him she lived in a "situation of terror" because Paiewonsky's party demands annual contributions based on 1 per cent of her salary in return for job security.

3. He had about 60 affidavits "from Virgin Islanders who were denied the right to vote on November 8, 1966" and the United States Attorney General has reacted to demands for action with "indifference."

4. The island government spends more than $1,000 per resident, while the total per capita spending in the States—Federal, State and local—is about $700 per person.

Senator Allott said he would "look forward to the day when the people of the Virgin Islands, steeped and fashioned in true democratic tradition, can step forward and elect their own governor."

BROAD INQUIRY INDICATED

But, he added, the facts before the Senate argued instead for a broad investigation of the three-island group of St. Thomas, St. John and St. Croix, all popular tourist spots.

The House Interior Committee sent a study panel to the Virgin Island last month for two days of hearings, but has yet to issue a formal report.

And a staff member of the Senate Interior Committee has been to the islands, but his report is not yet available either.

Senator Allott said release of the survey report could be valuable.

TAXPAYERS' HAVEN

In January, *The Evening Sun* disclosed that a series of audits by Comptroller Bove showed serious waste of Government money caused by inefficient planning and poor administration.

In addition, the Bove audits alleged that the Islands had become a haven for American citizens who are sometimes granted generous tax rebates for locating businesses in the islands. They escape Federal taxation by moving.

The American territory is permitted to keep all the income taxes paid by its residents. The islands also returned all the Federal taxes levied in the States on island-produced liquor.

This fiscal year, the Paiewonsky Government plans to spend more than $50,000,000 derived from these sources.

[From the Washington Star, July 16, 1967]

HARD FIGHT DUE ON VIRGIN ISLANDS GOVERNOR BILL

(By Benjamin Forgey)

Should residents of the Virgin Islands be given the right to elect their own governor?

Most senators and most congressmen think that they should.

Early this week the Senate will consider a bill giving Virgin Islanders that right. The session might have been bathed in the sweetness and light of the faraway and the noncontroversial.

Instead, the bill is sure to provoke a spirited debate because several senators insist the islands are in a political mess, and that Congress should make sure the mess is cleared up before adopting the measure.

The leading voice among senators holding this view is that of Sen. Gordon L. Allott, R-Colo. "The islands are under the near strangle-hold economically and politically of one man," Allott said last week. "There is a definite pattern of use of political power for personal enhancement."

ELECTIONS QUESTIONED

Allott's accusations center on alleged irregularities in the conduct of the 1956 legislative elections in the Virgin Islands, and on certain practices of the Virgin Islands administration of Gov. Ralph Paiewonsky. The scion of one of the islands' prominent families with interests in rum, real estate and retail sales, Paiewonsky was appointed by President Kennedy in 1961.

Allott will ask the Senate to recommit the bill to the Committee on Interior and Insular Affairs with instructions to conduct a thorough investigation. Allott and his supporters contend they are not against the idea of permitting islanders to elect a governor, but they are against perpetuating the present governmental system.

Sen. Henry M. Jackson, D-Wash., chairman of the Interior Committee and a strong supporter of the elective governor measure, said last week the alleged irregularities should not "be the basis for not enacting the bill."

Jackson, like most senators who favor immediate passage, contends that even if some irregularities have taken place, shelving a bill giving islanders more say in their own affairs is not the way to resolve them.

The Senate is divided pretty much along partisan lines on the issue. Senators demanding an investigation are mostly Republicans; those supporting immediate passage, mostly Democrats.

The Virgin Islands actually are divided into two political groups. Those controlled by Great Britain center on the large island of Tortola. The United States islands—dominated geographically and politically by St. Thomas and St. Croix—were purchased for their strategic Caribbean location from Denmark in 1917.

The U.S. islands currently are governed under the revised organic Act adopted by Congress in 1954, which provides for a governor appointed by the President and a legislature elected locally.

Bills granting residents the right to elect a governor were adopted by voice votes in both the House and Senate last year. But because the Senate vote came in October shortly before the session ended, the slightly different measures did not emerge from conference in time for final action.

In large part, the current controversy results from the legislative elections held in the U.S. islands last November. In that election more than 13,000 islanders elected nine members of the Paiewonsky wing of the Democratic party, and six members of an impromtu coalition between Republicans and the opposition wing of the Democrats, thus giving the governor firm control of the 15-member body.

Allott charges that the elections were marred. He holds some 60 affidavits from persons testifying to irregular procedures. More than 40 of them state the signers were not permitted to vote in violation of accepted procedures; others say that mental patients were seen casting votes; that persons voted more than once, and that persons voted under names other than their own.

On election day last November, the U.S. Attorney on St. Thomas sought and received a temporary restraining order from a District judge ordering election officials to permit citizens whose registration was challenged to vote upon signing an oath prescribed by law. The U.S. Attorney then had to fly to St. Croix and to serve the order at each individual polling place. At one station, the order was not received until five minutes before the polls closed.

There also have been charges of violations of the Hatch Act, a federal law prohibiting partisan political activity by certain classes of government employees, on the part of the Paiewonsky wing of the Democratic party. Two weeks ago, the U.S. Civil Service Commission began an investigation, still incomplete, of the alleged violations.

Allott repeatedly has needled the Justice Department to report on the status of its investigation of the alleged voting frauds.

Robert Rosthal, a lawyer in the department's criminal division, indicated last week that the department now is only marginally involved in the investigation in view of its findings that the alleged frauds involved violations of local, not federal, election laws. Rosthal said the U.S. Attorney on St. Thomas, chief prosecuting authority in the islands, has directed local police officials to conduct an investigation.

Allott commented in one of a long series of letters to the Justice Department on the matter that this seemed to place the investigation with a part of "the very political machinery" against which the allegations have been made.

The rising costs of government operations during the Paiewonsky administration is another of the points raised by senators demanding an investigation by the Interior Committee. In the current fiscal year, the Virgin Islands government will spend more than $51 million, as compared to $5.8 million 11 years ago and $44 million last year.

Much of the growth in the government budget, Allott contends, is due to an increase in the number of government employes. In 1963, for example, there were some 2,400 persons employed by the government; today there are more than 4,000.

Allott says that 43 percent of the current budget goes for salaries of classified employes, and another 12 percent for unclassified employes. As of May 19, the senator says there were 773 unclassified employes—those appointed directly by the governor instead of through Civil Service channels—"tucked away" among the 15 departments and agencies of the Virgin Islands government.

Among these, Allott comments, are 150 in the governor's office, including four lifeguards, four photographers, five maids and six chauffeurs. The Department of Agriculture, he says, employs 11 butchers in unclassified categories, four lifeguards, an unclassified bookkeeper for the Boy Scouts, and six recreation leaders.

WASTE CHARGED

According to at least one source, U.S. Comptroller Peter A. Bove, a Vermont Republican appointed by President Eisenhower, there is considerable waste in the money left over after salaries are paid. One of Bove's audits, for example, shows that about $2 million was wasted on a dredging project designed to deepen the harbor at Charlotte Amalie in St. Thomas.

Bove, though officially under the jurisdiction of the Interior Department, was appointed directly by the President for a 10-year term. He may be the last of the federal comptrollers on the islands to enjoy such a state of relative autonomy, because a provision in the Senate bill places the job squarely within the boundaries of the Interior Department.

The department has tended to side with Paiewonsky in this and other controversies. John J. Kirwan, assistant director for the Virgin Islands and Guam in the Office of Territories, for example, remarked last week that Bove "thinks he can do a better job as governor than the governor, but we don't share his opinion."

Defenders of the Paiewonsky administration point to the fact that the economy of the islands has been expanding mightily since 1960, largely on the basis of a gigantic increase in the tourist trade from the United States. The influx of tourists, and the jump in the population of the U.S. islands from about 33,000 seven years ago to more than 50,000 today, have required a corresponding increase in government services, they maintained.

This country contributes in other ways than tourism to the booming economy of the Virgin Islands. The federal government, by permitting the local government to keep federal income taxes collected there and by returning to the islands federal excise taxes on liquor produced in the islands, provides at least 75 percent of the money spent by the Virgin Islands government.

Nevertheless, the local government has had to look for new income to support its growing budget. The spiraling real estate market naturally furnishes one possible source—as land values go up, property taxes will follow.

LOCAL SUFFRAGE

Allott contends, however, that the way the legislature has gone about increasing property assessments has resulted in great inequities, and, he says, "there is no effective appeal." He likes to cite the case of a man living on Social Security whose tax was raised from $8 to $370 with no prior notice and who, obviously, didn't have the income to pay the new tax.

One possible way to remedy such situations, according to several congressmen contacted last week, would be to broaden the bill by providing for local elections in the separate island jurisdictions. Currently, most local tax, education, public works and other programs are set either by the legislature or the executive of the central government on St. Thomas.

In addition to the debate this week in the Senate, the faraway problem of the Virgin Islands will come up again in the House this year. A special House subcommittee already has conducted a two-day hearing in the Virgin Islands this year, and though the record of the testimony has not been published, the list of witnesses supports the view that the congressmen got an earful of the allegations being brought up in the Senate.

At any rate, Gov. Paiewonsky will get an opportunity to answer any accusations of malpractice and corruption made against his administration. He and several other top officials in the government will be in Washington on Thursday and Friday to testify when the House subcommittee resumes its hearings.

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

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

ORDER OF BUSINESS

The VICE PRESIDENT. The Senator will withhold for a moment. Will attachés of the Senate please take their seats or vacate the Senate? Senators will please be seated. Visitors in the galleries will please exit with some quietness.

The Senator from Montana is recognized.

Mr. MANSFIELD. Mr. President, it may well be that after we complete the next order of business, the Senate may have to stand in recess subject to the call of the Chair, depending upon what action the House takes.

The VICE PRESIDENT. The Senator will suspend for a moment.

The Senate will be in order.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside.

The VICE PRESIDENT. Without objection, it is so ordered.

VIENNA CONVENTION ON DIPLOMATIC RELATIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the motion to reconsider the passage of S. 1577.

The VICE PRESIDENT. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 1577) to complement the Vienna Convention on Diplomatic Relations.

The VICE PRESIDENT. Is there objection?

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

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a limitation of 1 hour on the motion to reconsider the passage of S. 1577, the time to be equally divided between the Senator from Alabama [Mr. SPARKMAN], the acting chairman of the Committee on Foreign Relations, and the distinguished senior Senator from South Carolina [Mr. THURMOND].

The VICE PRESIDENT. Without objection, it is so ordered.

LEGISLATIVE PROGRAM—ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, for the information of the Senate, and in response to a question raised by the distinguished minority leader, it is anticipated that the order of business tomorrow will be Calendar No. 390, S. 780, the so-called Clean Air Act, to be followed by Calendar No. 209, S. 450, a bill to provide for the popular election of the Governor of the Virgin Islands.

Mr. President, I ask unanimous consent that when the Senate completes its business tonight it stand in adjournment until 12 o'clock noon tomorrow.

The VICE PRESIDENT. Without objection, it is so ordered.

VIENNA CONVENTION ON DIPLOMATIC RELATIONS

The Senate resumed the reconsideration of the passage of the bill (S. 1577) to complement the Vienna Convention on Diplomatic Relations.

The VICE PRESIDENT. The Senator from Alabama is recognized.

Mr. SPARKMAN. Mr. President, this bill has previously been passed by the Senate. The vote, as I recall, was 84 to zero. It was held up because of the motion of the Senator from South Carolina [Mr. THURMOND], who, as I understand, wanted some additional information or explanation.

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

Mr. SPARKMAN. I yield.

Mr. THURMOND. I do not believe there was a rollcall vote on the bill. That was a convention 2 years ago, was it not?

Mr. SPARKMAN. No, it was the convention——

Mr. THURMOND. Two years ago.

Mr. SPARKMAN. To which this is a supplement.

Mr. THURMOND. Yes. There was no rollcall vote on this particular bill, as I recall.

Mr. SPARKMAN. The Senator is cor-

rect. When the Vienna Convention was taken up it was adopted by a vote of 85 to nothing. Then, we had S. 1577, a bill supplementing the Vienna Convention. That measure had passed the Senate and was held over on the motion to reconsider.

I shall briefly give the essential facts regarding the bill, S. 1577, which complements the Vienna Convention on Diplomatic Relations. The essential facts are quite simple. At the time the Senate considered the Vienna Convention itself, it received the assurances of State Department officials that they would recommend that the President not ratify it until the complementing legislation is enacted. So the Vienna Convention is at the White House awaiting ratification. The Convention is self-executing and if the President were to ratify it today or anytime before S. 1577 is enacted the United States would have to apply two sets of standards of privileges and immunities to the local diplomatic community—those of the Vienna Convention to diplomatic agents from countries which have likewise ratified the Convention—and those of the current statutes enacted in 1790 (which would be repealed by S. 1577) to others from countries which have not.

The main purpose of S. 1577, therefore, is to enable the U.S. Government to apply a uniform standard of practice, and reciprocally to enable it to receive a uniform standard of treatment for its diplomatic personnel abroad.

In its report on the Vienna Convention itself, the Committee on Foreign Relations noted that on balance the standards of the Vienna Convention were less than those being applied by the United States at this time. What S. 1577 essentially does is to authorize the President to continue present practice, even where that is over and above the minimum standards of the Vienna Convention. The bill with the recommended committee amendment makes it clear that the present higher standards are to be applied only on a reciprocal basis—that is only to diplomatic personnel of countries who offer our personnel the same treatment.

Mention should be made of one category of people being added to those presently entitled to diplomatic privileges and immunities. That category consists of heads of foreign states and foreign governments, foreign ministers, and persons accompanying these officials in an official capacity. Present law does not cover these officials but does cover their diplomatic agents. It does seem reasonable that the principals whom these agents represent should be entitled to the privileges and immunities awarded their agents when on official business.

The Committee on Foreign Relations, which recommends the prompt passage of S. 1577, has a detailed explanation of the bill in its report which I ask to have printed in the RECORD at this point.

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

MAIN PURPOSE OF THE BILL

In brief, the bill will (1) authorize the President upon a basis of reciprocity and at his discretion to accord the privileges and immunities specified in the Vienna Convention on Diplomatic Relations to diplomatic missions and the personnel thereof states not parties to the convention; (2) authorize according more favorable treatment to foreign diplomatic missions in the United States and their personnel, depending, inter alia, on reciprocal treatment of U.S. diplomatic missions and their personnel in the territory of the sending states concerned; (3) clarify the status in the United States of foreign heads of state and of government and special envoys; and (4) repeal Revised Statutes sections 4063–4066 (22 U.S.C. 252–254), which are based on a 1790 act of Congress and are inconsistent with the Vienna Convention.

BACKGROUND

The Vienna Convention, which S. 1577 would complement, was approved by the Senate on September 14, 1965, by a vote of 85 to 0. The convention itself is based largely on diplomatic practices as they developed over the years, and sets forth the rights, privileges, and duties of all members of a diplomatic mission and of their families and private servants and the rights and obligations of the state on whose territory they perform their functions. As a partial codification of these practices, it covers a variety of subjects, such as the functions, size, and location of missions, diplomatic privileges and immunities—including the treatment of mission premises and archives, freedom of movement, personal privileges and immunities such as immunity from jurisdiction, tax exemptions, and customs privileges—the obligations of a mission and its members toward the state in which they serve, and termination of missions. As the committee noted in its report on the Vienna Convention (Ex. Rept. 6, 89th Cong., 1st sess.)—

In general, this convention is more restrictive in its provisions on diplomatic privileges and immunities than current U.S. practices.

The key in the title of S. 1577 is the word "complement." The Vienna Convention itself is self-executing and does not require the more familiar "implementing" legislation. However, at the time the Vienna Convention was before the Committee on Foreign Relations, the State Department informed the committee that it would recommend to the President that ratification be withheld until complementing legislation is enacted. As a result, the treaty awaits ratification by the United States pending the enactment of S. 1577. If the treaty were to be ratified by the President before the bill is enacted the United States would be in the position of having to apply two sets of immunity standards to the foreign diplomatic community within the United States—the Vienna Convention standards to diplomats from those countries which have likewise ratified the convention, and the present statutory standards (proposed to be repealed) to diplomats from countries which are not a party to the Vienna Convention. The main difference between these immunity standards according to the Legal Adviser of the Department of State, who was the committee's principal witness, is that the standards of the Vienna Convention are minimum standards and, on balance, a little less liberal than current international law and practice. The following table compares the present U.S. practice with what it would be under the Vienna Convention and what it would be under the Vienna Convention as complemented by S. 1577:

Categories of diplomatic personnel [1]	Diplomatic immunities accorded under present U.S. law and practice	Diplomatic immunities which would be accorded under Vienna Convention on Diplomatic Relations	Immunities provided under Vienna Convention for diplomatic missions and the personnel thereof of states party to it; and corresponding immunities provided by sec. 4(a)(1) of S. 1577 for diplomatic missions and the personnel thereof of states not party to the Vienna Convention (italic indicates those immunities for which it is envisaged more favorable treatment, on a reciprocal basis, would be granted pursuant to sec. 4(a)(2)(B)
Diplomatic agents	Full civil and criminal immunity from the jurisdiction of the United States.	Full civil and criminal immunity from the jurisdiction of the United States with 3 exceptions set forth in art. 31 of the convention from civil jurisdiction.	Full civil and criminal immunity from the jurisdiction of the United States with 3 exceptions set forth in art. 31 of the convention from civil jurisdiction.
Family members of diplomatic agents.	do	do	Do.
Administrative and technical staff.	do	Full immunity from the criminal jurisdiction of the United States; immunity from the civil jurisdiction only for their official acts.	Full immunity from the criminal jurisdiction of the United States; immunity from the civil jurisdiction of the United States for their official acts, *and upon a basis of reciprocity, full immunity from the civil jurisdiction of the United States, with the 3 exceptions set forth in art. 31 of the convention.*
Family members of administrative and technical staff.	No immunity whatsoever.	Full immunity from the criminal jurisdiction of the United States.	Full immunity from the criminal jurisdiction of the United States.
Service staff	Full civil and criminal immunity from the jurisdiction of the United States.	Immunity from the civil jurisdiction of the United States only for their official acts.	Immunity from the civil jurisdiction of the United States only for their official acts, *and upon a basis of reciprocity, full immunity from the criminal jurisdiction of the United States.*
Family members of service staff.	No immunity whatsoever.	No immunity whatsoever.	No immunity whatsoever.
Private servants of diplomatic agents.	Full immunity from the civil and criminal jurisdiction of the United States.	do	Do.

[1] Not including aliens admitted for permanent residence or American citizens.

Source: Department of State.

SECTION-BY-SECTION ANALYSIS

The following section-by-section analysis was prepared by the Department of State:

"SECTION 1. TITLE

"This may be cited as the 'Diplomatic Relations Act of 1967.'

"SECTION 2. STATEMENT OF PURPOSE

"This states the purpose of the bill, which is to promote the conduct of the foreign relations of the United States by specifying the privileges and immunities to which foreign diplomatic missions and the personnel thereof may be accorded, and by authorizing the President to regulate, consistent with treaties and other international agreements, customary international law and practice, and this proposed legislation, the granting of such privileges and immunities.

"SECTION 3. DEFINITIONS

"This defines the phrase 'foreign diplomatic mission and the personnel thereof' as including not only members of permanent diplomatic missions, their families, and their private servants, but also heads of foreign states and heads of foreign governments, whether in the United States for official or personal reasons, foreign ministers when on an official visit to or in transit through the United States, and persons on special diplomatic mission to the United States, together with the members of the official parties accompanying all such persons. The definition also includes diplomatic couriers. This broad definition is desirable for several reasons. The Vienna Convention on Diplomatic Relations has reference only to permanent diplomatic missions, and, in limited respects, to diplomatic couriers. The repeal of sections 4063–4066 of the Revised Statutes (22 U.S.C. 252–254) will remove from the books the present statutory basis for according diplomatic immunity to persons on special diplomatic mission. The privileges and immunities which are everywhere accorded to visiting heads of state and heads of government should have some basis in the statutory law of the United States.

"SECTION 4. AUTHORITY OF THE PRESIDENT

"Paragraph (a) of this section authorizes the President, under such terms and conditions as he may from time to time determine:

"(1) to apply the treatment prescribed by the Vienna Convention on Diplomatic Relations, or any part or parts thereof, to those foreign diplomatic missions and the personnel thereof not otherwise entitled to such treatment. The articles of the Vienna convention which are particularly relevant to this provision are those which define the categories of mission personnel and specify the privileges and immunities to be enjoyed by persons in each category. These are articles 1, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, and 47.

"(2) to extend more favorable treatment than is required by the Vienna Convention on Diplomatic Relations to foreign diplomatic missions and the personnel thereof with respect to (a) exemption from Federal taxes; and (b) immunity from criminal and civil jurisdiction for members of the administrative and technical staff and the service staff of the mission. The taxes to which section 4 applies will be those imposed by or pursuant to Acts of Congress. This provision will enable the United States to continue to accord in return for an appropriate *quid pro quo* by the sending state, (1) the exemption from Federal taxes presently enjoyed by duly accredited diplomatic officers and members of the administrative and technical staff who are nationals of the appointing state, (2) complete immunity from criminal jurisdiction to members of the service staff who are not nationals or residents of the United States, and (3) immunity from civil and criminal jurisdiction in respect of official acts to members of the administrative and technical staff who are nationals or residents of the United States.

"The draft bill does not contain specific authorization to accord to members of the administrative and technical staff exemption from customs duties and internal revenue taxes imposed upon or by reason of importation because statutory authority now exists to accord such exemptions on the basis of reciprocity (Tariff Schedules of the United States, 19 USC foll. 1202, Schedule 8, Part 2, headnote 1, Subpart C, headnote 4, and Item 822.30). In the case of many countries, section 4(a) (2) of the draft bill, if enacted, and the pertinent portions of the Tariff Schedules would merely authorize the continuance of long-existing arrangements where by custom or agreement subordinate personnel at American diplomatic missions are accorded more favorable treatment than is required by the Vienna convention.

"Paragraph (b) of section 4 reaffirms the primacy of the executive branch's determination with respect to entitlement of a particular foreign diplomatic officer or employee to immunity from civil or criminal jurisdiction; the making of such a determination would presumably be delegated to the Department of State pursuant to section 6, and the certificate of the Secretary of State or his designee would be transmitted by the Attorney General to the appropriate court.

"Paragraph (c) of section 4 adopts the notice feature of 22 U.S.C. 254, with these changes: The names of all persons entitled to immunity pursuant to the Vienna Convention or the draft bill will be made of public record, instead of just those persons presently listed in the so-called 'White List'; the names of entitled persons will be published in the 'Federal Register' rather than posted in the office of the Marshal for the District of Columbia; and the variable treatment of foreign diplomatic missions and their personnel authorized in section 4(a) will be made a matter of public record for the application of applicable laws and regulations, and for immunity purposes.

"SECTION 5. JUDICIAL MATTERS

"Paragraph (a) provides that any writ or process sued out or prosecuted against a person or the property of any person entitled to immunity from such process shall be deemed void. Paragraph (b) provides that any person who knowingly obtains, sues out, prosecutes, or assists in the execution of such writ or process may be fined or imprisoned, or both. Similar provisions are contained in 22 U.S.C. 252–254.

"SECTION 6. EXERCISE OF FUNCTIONS

"This is a standard delegation of authority provision.

"SECTION 7. EFFECTIVE DATE AND REPEALS

"Paragraph (a) provides that the 'Diplomatic Relations Act of 1967' will be effective upon entry into force of the Vienna Convention on Diplomatic Relations with respect to the United States. Paragraph (b) provides for the repeal of sections 4063, 4064, 4065, and 4066 of the Revised Statutes (22 U.S.C. 252–254), upon the effective date of the above-mentioned act. Paragraph (c) is a clause regarding legal acts done or rights accrued, or proceedings commenced in any civil cause before the repeal of the several statutes referred to in paragraph (b) above."

COMMITTEE ACTION

The legislation embodied in S. 1577 was first submitted to the Congress while the Vienna Convention was still pending. It was introduced as S. 2320 on July 22, 1965, but because of the heavy schedule of the committee received no consideration during the 89th Congress. It was resubmitted on April 13, 1967, and introduced, by request under its present number (S. 1577) on April 19. On May 9, the Committee on Foreign Relations held a public hearing on the bill at which Mr. Meeker, the Legal Adviser of the Department of State, was the principal witness. The proceedings are printed for the use of the Senate and the public.

At an executive session on June 8, 1967, the bill was further discussed by the committee and ordered reported with an amendment.

CONCLUSION AND RECOMMENDATION

The committee recommends enactment of S. 1577 subject to one amendment, which is to make the President's authority to grant diplomatic privileges and immunities subject to reciprocity. While this was understood to be the case in any event, the committee deemed it wise to state so explicitly in the bill.

Other questions raised during the committee's consideration of this measure are discussed below.

Changes in existing practice.—The committee explored in particular in what respects present practice would be altered upon enactment of S. 1577 and ratification of the Vienna Convention. It was informed that in the following areas the degree of immunities and privileges would be narrowed. Diplomatic agents, who now enjoy complete immunity from the jurisdiction of the United States, would continue to enjoy it subject, however, to three exceptions set forth in article 31 of the Vienna Convention which concern: (a) actions relating to private immovable property situated in the territory of the United States; (b) acts relating to succession in which the agent is involved as executor, administrator, heir, or legatee as a private person; and (c) professional or commercial activities exercised by him in the United States outside his official functions. The immunities of the administrative and technical staff, which are now complete, would, on the basis of reciprocity, be continued that way, except for the three types of actions listed above. The service staff, which now enjoys full immunity from civil and criminal jurisdiction, would enjoy immunity from civil jurisdiction only for official acts, and would be extended immunity from the criminal jurisdiction of the United States only on the basis of reciprocity. Private servants of diplomatic agents, which now have full immunity from the civil and criminal jurisdiction of the United States, would have none.

On the other hand, certain categories of persons would be added to those now enjoying diplomatic privileges and immunities: heads of foreign states and governments, foreign ministers and members of the party accompanying such officials.

Heads of foreign states and governments.—The committee believes it is reasonable—indeed logical—to accord them the same privileges and immunities when visiting the United States officially as those accorded their representatives in the United States. The only concern voiced in the committee was with respect to their entourages. The Department of State has stated that it would extend these privileges and immunities only to those in the official party considered to have a "representative capacity"—meaning officials of a diplomatic rank, and not persons merely attending to the dignitary in the capacity of bodyguards, cooks, chauffeurs, and the like. The committee expects this narrow construction of the term "representative capacity" to be followed in the future.

Special diplomatic missions and special envoys.—Similarly, the committee expects the term "diplomatic mission" to be narrowly construed since it was explained, in the Department's words, as "limited to foreign delegations sent to the United States to negotiate on questions of political significance, and which are headed by an official holding a cabinet-level or equivalent position in his government, or holding a diplomatic rank of ambassador or minister." It relies on the assurances that ordinary trade missions and official exhibitors at U.S. expositions for instance are not encompassed by this term.

American nationals and resident aliens.—The Department of State has advised the committee that these categories would be accorded within the United States immunity only for their official acts. This is present practice.

Consulates and U.N. Secretariat.—Neither the Vienna Convention on Diplomatic Relations nor this bill has any relationship to, or effect on, the status of foreign consulates in the United States and of the United Nations Secretariat. The status of these offices is determined, in the case of consulates, by bilateral consular treaties and, in the case of the U.N. Secretariat, by the Headquarters Agreement and the International Organizations Immunities Act.

Violations of laws.—As during consideration of the Vienna Convention in 1965, the committee again expressed its concern about the handling of persistent diplomatic violators of law. It calls attention once more to the provisions of article 41 of the convention which for the first time in an international convention states the duty of all persons enjoying privileges and immunities to respect the laws and regulations of the receiving state. The committee was then assured by Department of State witnesses "that the provisions of this article will be helpful in securing better compliance with local laws by members of the diplomatic communities here and abroad." While the ultimate remedy, of course, is to declare a scofflaw *persona non grata*, the committee hopes that the presence of article 41 will inspire respect for local and Federal laws of the United States.

Fifty-seven nations have ratified the Vienna Convention to date. Some 65 to 70, with which the United States has diplomatic relations, have not. Were the President to ratify the Vienna Convention today, its standards would apply to the first group, but the 1790 standards to the second. Double standards are not in the American tradition and the committee agrees with the Department of State for the need of enacting S. 1577.

The net effect of the bill is to give the President authority to accord diplomats treatment comparable to that which they receive today, which however is somewhat better than that provided for in the Vienna Convention. The committee considers this to be a reasonable proposal and recommends that the Senate pass S. 1577 subject to the committee amendment.

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

Mr. SPARKMAN. I yield.

Mr. LAUSCHE. Will the Senator from Alabama explain particularly in what respect the Vienna Convention is less liberal than the general law that in the past has been applicable to certain visitors of this country?

Mr. SPARKMAN. This would extend to other persons and members of their families, and, as I mentioned, the language which the amendment added, makes it possible for heads of foreign governments to receive the same privileges and immunities that their ambassadors and agents in this country already have.

Mr. LAUSCHE. That is, S. 1577 would give to the heads of foreign countries who come to the United States, either visiting Washington, the President, or the United Nations, the same immunities and privileges that are given already to their Ambassadors.

Mr. SPARKMAN. The Senator is correct.

(At this point, Mr. SPONG assumed the chair.)

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

Mr. SPARKMAN. I yield.

Mr. RUSSELL. Did I understand the Senator to say that it would apply not only to heads of state but to all of their entourage?

Mr. SPARKMAN. To those who accompany him in an official capacity.

Mr. RUSSELL. There is no limitation on that. He could bring in 100 or 200 persons to accompany him and they would all have the benefit of the immunity.

Mr. SPARKMAN. Of course, I suppose that would be true, but I do not think that anything like that would happen. I do not think we would receive a delegation that abused its privilege. However, I think it does mean the following situation. Let us take, for example, the recent visit of Kosygin to this country.

I do not know how many he had in his entourage but I would guess probably two dozen. Perhaps more than that. I do not know. I would cover all of those.

Mr. RUSSELL. Would it have any effect on a delegation to the United Nations, or are they covered by a separate law? I had in mind some of the instances a few years ago, such as the chicken plucking incident in the hotels in New York City with quite a large group from Cuba.

Mr. THURMOND. If I might interrupt there to say that it does affect it and I will cover it in my remarks in a few moments.

Mr. SPARKMAN. I thank the Senator from South Carolina.

Let me say this, that at the present time, under section 13 of the agreement between the United Nations and the United States of America regarding the headquarters of United Nations personnel, resident representatives of member nations, and resident members of the staff agreed upon between the Secretary General, the United States, and the government of the member nation, will be, "entitled in the territory of the United States to the same privileges and immunities subject to corresponding conditions and obligations as it accords to diplomatic envoys accredited to it."

That is the present agreement.

Mr. RUSSELL. So our Government would have a voice in how many would be permitted to come to the United Nations?

Mr. SPARKMAN. Yes; that is true. It does now.

Let me make this statement, that the passage of S. 1577 will therefore not increase the amount of diplomatic immunity presently accorded to United Nations diplomatic personnel.

Mr. RUSSELL. I thank the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that a statement which I have prepared as to the effect of S. 1577 on the United Nations personnel may be printed as a part of my remarks.

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

The statement is as follows:

EFFECT OF S. 1577 ON UNITED NATIONS PERSONNEL

The establishment of the United Nations Headquarters in New York has resulted in a number of foreign personnel being stationed there. This personnel falls into two groups: (1) the diplomatic missions of the member nations of the United Nations; and (2) the United Nations Secretariat.

S. 1577 affects only the first group—the diplomatic missions to the United Nations.

At present under Section 15 of the Agreement between the United Nations and the United States of America regarding the Headquarters of the United Nations (Joint Resolution of August 4, 1947, Chapter 482, 61STAT756), personnel resident representatives of member nations and resident members of the staff agreed upon between the Secretary General, the United States, and the government of the member nation will be ". . . entitled in the territory of the United States to the same privileges and immunities subject to corresponding conditions and obligations, as it accords to diplomatic envoys accredited to it." The effect of this section is to accord the full diplomatic immunity of present law (22 US Code Section 252) to such persons.

One effect of S. 1577 will be to establish the Vienna Convention standards of immunity, as supplemented by S. 1577, for all diplomatic officers and employees in Washington. Section 15 of the Headquarters Agreement will thereupon apply this treatment to the corresponding United Nations diplomatic personnel.

The passage of S. 1577 will therefore not increase the amount of diplomatic immunity presently accorded to United Nations diplomatic personnel. S. 1577 will also not increase the number of such United Nations diplomatic personnel entitled to diplomatic immunity. What S. 1577 will do is substitute parity of treatment—an agreed to international standard—to those persons in New York and Washington who, under existing legislation, are entitled to diplomatic immunity.

The status of the second group—the United Nations Secretariat is in no way affected by the provisions of S. 1577. Its status is governed by the International Organizations Immunities Act, and the applicable provisions of the U.N. Headquarters Agreement, and no changes are being made in this area by S. 1577. There is a Convention on Privileges and Immunities of the United Nations of 1946 which would further elaborate on this privileges and immunities but the United States has to date not approved this convention.

With respect to violators of U.S. laws in either category the ultimate remedy is expulsion by declaring the individual persona non grata.

For example, if a member of the Soviet Mission to the United Nations was apprehended in illegal activities, such as espionage, the U.S. could and would ask for his removal, the same as if he were accredited to the United States Government instead of the United Nations. A case in point here is that of Zdenek Pisk, a member of the Czechoslovakian mission to the United Nations who, together with a colleague from the Czech mission in Washington, was implicated last year in an espionage attempt. Both Pisk and his colleague, Opatrny, were in time removed from the United States.

The same remedy is available to the United States in the case of members of the United Nations Secretariat who have committed felonies like espionage. In such instance, the U.S. notifies the Secretary General that a member of his staff has abused his privilege of residence and acted outside his official duties contrary to U.S. laws and that the U.S. wants him fired. In no instance has any Secretary General of the United Nations refused to do so.

As far as enactment of S. 1577 is concerned, the essential point to bear in mind is that it in no way changes these procedures, and limits the actions which the United States can take in the case of abuses of privileges and immunities here in Washington or in New York.

Mr. THURMOND. Mr. President, during the Dodd hearings, it was assumed

that legislation would not be considered but, in some way, inadvertently I am sure, this bill was taken up and passed without notice or opportunity for Senators to be heard on it.

I have looked into the matter and I feel that this is a bill that should not be passed. For that reason I asked for it to be reconsidered and the papers returned from the House of Representatives.

Mr. President, the Diplomatic Relations Act of 1967 embodied in S. 1577 raises some very serious policy considerations in my judgment.

According to the report of the Senate Committee on Foreign Relations, there are four main purposes of the bill:

First. To authorize the President, upon a basis of reciprocity and at his discretion, to accord the privileges and immunities specified in the Vienna Convention on Diplomatic Relations to diplomatic missions and the personnel thereof, of states not parties to the convention.

Second. To authorize the President to extend more favorable treatment to foreign diplomatic missions and the personnel thereof in the United States, depending, inter alia, on reciprocal treatment of U.S. diplomatic missions and their personnel in the territory of the sending states concerned.

Third. To clarify the status in the United States of foreign heads of state and of government and special envoys.

Fourth. To repeal revised statutes sections 4063 to 4066—22 U.S.C. 252–254—which are based on a 1790 act of Congress and are inconsistent with the Vienna Convention.

I will attempt to cover these points as they have been mentioned. Point No. 1 seems to me to be largely unnecessary. One of the main arguments that has been advanced in favor of S. 1577 has been that the Vienna Convention on Diplomatic Relations provides for a level of immunity which in many respects is less liberal than what is provided today by the United States and by many other countries as a matter of international practice. I have studied the chart which was prepared by the State Department and which is included in both the hearings held by the Foreign Relations Committee and in the committee report concerning the extent of immunity now granted, the extent granted under the Vienna Convention, and the extent which would be granted under this bill.

There is only one area in which our present practice is less liberal than the Vienna Convention provides or which would be provided under the terms of S. 1577. This is the provision for family members of administrative and technical staff. Under our present practice the individuals in this category have no immunity whatsoever. Under the Vienna Convention individuals in this category have full immunity from the criminal jurisdiction of the United States, and this would be continued under the terms of S. 1577.

In addition to the one difference in the extent of immunity, the only other provisions of the Vienna Convention which would seem to me preferable to our present practice are the provisions that all persons enjoying privileges and immunities shall have the duty to respect the laws and regulations of the receiving state and not to interfere in its internal affairs, and that the premises of the mission must not be used in any manner incompatible with the mission's functions. This is indeed a commendable provision of the Vienna Convention on Diplomatic Relations.

Such a provision should be written into every separate treaty agreement we have with every foreign country with which we exchange diplomatic personnel. I would expect our diplomatic personnel to respect the traffic laws and regulations and other provisions of local law even though they are immune from prosecution. I do not think that it is too much for the United States to expect the same respect for our laws from diplomatic personnel we receive in our country.

Other than these two provisions, however, I see very little reason for the United States to deposit its instrument of ratification to the Vienna Convention on Diplomatic Relations. The problems which have given rise to this bill have grown out of this convention, and in my judgment the best way to avoid the problems is not to agree to the treaty.

Otherwise, I feel that S. 1577 would set a precedent which the Senate above all should be very concerned about.

As to item No. 1, which would authorize the President to extend the same level of privileges and immunities specified in the Vienna Convention on Diplomatic Relations to states not parties to the Convention, I see no reason for this provision to be in the bill. The legal adviser of the Department of State, Hon. William C. Meeker, stated in his testimony before the Foreign Relations Committee:

> When the Vienna Convention comes into force, we would have a situation in which the United States would be according to non-parties to the Convention a level of treatment with respect to immunities that was higher than what we would be obligated to accord under the Convention.

This being the case, it would seem to me to be unlikely that any country not party to the convention would want the President of the United States to extend these privileges and immunities to them. Even if they should be extended, I feel it would be wise for it to be done by treaty, which would require the approval by two-thirds vote of the U.S. Senate.

The second main provision of the bill appears to me to be largely unnecessary if the United States were to decide not to deposit its instrument of ratification to the Vienna Convention. The whole argument in support of this provision is to enable the President to extend certain privileges and immunities to countries with which we conduct foreign relations which would be more favorable than that provided for in the Vienna Convention. First, there is no outer limit on the nature of the agreement which the President can reach with these foreign countries.

According to the testimony before the Foreign Relations Committee, I presume that it would entail virtually the same privileges and immunities which we now accord to these countries, although it could be more. If it is intended to extend a greater degree of immunity than is now the case, then I feel it should be done by separate treaty which would require the approval of the U.S. Senate. If it is intended to extend merely the same privileges and immunities which are not in existence and which would be wiped out as soon as the Vienna Convention on Diplomatic Relations goes into force, then I think we should not deposit our instrument of ratification to the convention.

In any event, what the Congress is doing in this bill is delegating to the President the right to enter into what would otherwise be treated as treaties and be subject to the "advise and consent" authority of the U.S. Senate. The Senate should be particularly jealous of its authority to advise and consent to treaties and should not agree in advance to allow the President to enter into agreements which would otherwise be treaties simply on the basis of legislation such as S. 1577.

There is another point which I feel should be carefully considered before the Senate gives its approval to this legislation. Section 4 of the bill authorizes the President to apply the treatment prescribed by the Vienna Convention on Diplomatic Relations "to those foreign diplomatic missions and the personnel thereof not otherwise entitled to such treatment." In the hearings before the Senate Foreign Relations Committee it was brought out that this legislation would have no application to the Secretary General of the United Nations. However, the question of whether this provision would apply to the United Nations' missions of foreign governments in the United States was not answered.

In answer to a question as to whether S. 1577 would have any application to the Secretary General of the United Nations, the witness appearing on behalf of the State Department, after stating that S. 1577 would have no application to the Secretary General, went on to say that—

> That is a subject which would be regulated by the UN Convention on the Privileges and Immunities of the United Nations, a separate treaty which we hope to lay before the Congress again in the near future.

There then ensued a discussion on this topic, but there was no conclusion reached as to what effect this bill would have upon the mission of any foreign country to the United Nations, which is situated in the United States. In my judgment, under the terms of this bill, since they are so broad, the President could extend not only the basic privileges and immunities provided for in the Vienna Convention on Diplomatic Relations, but also the increased immunities provided for under section 4(a)(2) of the bill. If this is not the intent of Congress, then I think the bill should be appropriately amended to make it abundantly clear that this is not the case.

While it is true that neither the Vienna Convention on Diplomatic Relations, nor S. 1577, to complement this convention, have any relation to the recently approved Consular Convention with the Soviet Union, the Consular Convention could be used as the pattern for the increased privileges and immunities that would be negotiated by the President. If

these increased immunities, similar to the ones granted consular officials of the Soviet Union, are granted to all the diplomatic personnel of the Iron Curtain countries in their missions to the United Nations, the result could well be chaotic. We are dealing here not with the 12 or 15 additional people talked about in the Consular Convention, but with virtually thousands of potential espionage agents located in New York but having the opportunity to roam free across our entire country. The diplomatic missions of the Iron Curtain countries to the United Nations are well recognized as being a hotbed of espionage activity in the United States.

In my view, it would be tragic to extend to these so-called diplomatic personnel any increased privileges and immunities which would greatly enhance their ability to engage in espionage activities in the United States.

In reality there is very little true reciprocity which the United States would get in return for a grant of increased privileges and immunities granted under the terms of S. 1577. Our diplomatic officials in any foreign country would normally be located in one locale, whereas we would be granting increased privileges and immunities to two separate diplomatic missions in the United States—the regular embassy personnel and the United Nations personnel of that particular country; if the President exercised his full authority.

In view of this, I think the bill, S. 1577, should be returned to the Senate Foreign Relations Committee for further consideration of these points; and I would hope that the distinguished Senator from Alabama would agree that it be returned to the Foreign Relations Committee, so that it could consider the points that have been raised.

Mr. SPARKMAN. Mr. President, we have given this matter full consideration in the Foreign Relations Committee. That committee, after hearing testimony, and considering it, voted the measure out of committee unanimously. I think I can answer some of the points my friend has made. For instance, it gives absolutely no additional privileges or immunities to United Nations personnel.

A few minutes ago I quoted from the agreement between the United States and the United Nations, the joint resolution of August 4, 1947, these words. This is not a direct quotation, but it says:

> Personnel resident representatives of member nations and resident members of the staff agreed upon between the Secretary General, the United States, and the government of the member nation will be ". . . entitled in the territory of the United States to the same privileges and immunities, subject to corresponding conditions and obligations, as it accords to diplomatic envoys accredited to it."

S. 1577 does not extend any further privileges or immunities to those people at all. One of its principal purposes, as I said a few minutes ago, is to provide that heads of government coming to this country, foreign ministers representing other governments who may come to this country, and persons accompanying those officials in an official capacity, may enjoy the same immunities and privileges as their agents already here enjoy.

There is no privilege or immunity allowed by the United States to the representatives of any government unless our representatives in that country enjoy the same privileges and immunities. In other words, what this bill does is to make uniform and equal the application of the Vienna Convention with reference to these reciprocal privileges and immunities.

As I say, it makes it uniform. It applies it to those nations which are not signatories of the Vienna Convention, but again, only on the condition that there is complete reciprocity.

I have a fuller statement with reference to the United Nations. I have already asked that it be printed in the RECORD. I feel that it gives a very clear statement, I believe that these two papers, the direct statement I made plus the statement on the effects of the United Nations, together give a full and clear statement, and I do not ask to have printed any part of the report.

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

Mr. SPARKMAN. I yield.

Mr. THURMOND. On page 2 of the bill, section 4 provides:

> The President is authorized, upon a basis of reciprocity and under such terms and conditions as he may from time to time determine—
>
> (1) to apply the treatment prescribed by the Vienna Convention on Diplomatic Relations, or any part or parts thereof, to those foreign diplomatic missions and the personnel thereof not otherwise entitled to such treatment;

So I think it is clear that we do give the President the power to do it if he sees fit. So he can include, as I stated, personnel in foreign diplomatic missions to the United Nations.

Subsection (2) on page 3 contains a grant of power to the President in similar terms, as follows:

> (2) to extend more favorable treatment than is provided in the Vienna Convention on Diplomatic Relations to foreign diplomatic missions—

I am sure the Senator would admit that we consider these missions to the U.N. foreign diplomatic missions—

> and the personnel thereof—

And so forth. So there is no question about it; it does give the President the power to do so if he wishes.

Mr. SPARKMAN. He is authorized to act in the manner prescribed by the Vienna convention, and not beyond that. That is what I am saying. The Vienna convention provides for reciprocity, and coupled with this resolution would provide for uniform treatment. I feel certain that the entire membership of the Committee on Foreign Relations was satisfied that nothing in S. 1577 presented any problem, that it is complementary to the Vienna convention, and that it is possible to put this proposal into effect, not only with the nations that have subscribed to the Vienna convention, but also with the nonsubscribers, on a purely and completely reciprocal basis.

Mr. THURMOND. I am sure the Senator from Alabama would agree that the language on page 3, paragraph 2, provides for the granting of additional privileges and immunities over and above those granted in the Vienna convention. Furthermore, the headquarters of the United Nations is located in this country; therefore, if the President enters into such an arrangement and exercises his power, there will naturally be much more to which the bill would apply than it would otherwise.

The whole question depends upon what the President wants to do, as to how he will exercise his power, and how broadly he sees fit to exercise his power. That is what I object to.

I think we are making a great mistake to make it possible for the President to exercise such power. This clearly entrenches upon the power of Congress. We ought to have to pass on any treaty that is made. By this bill, we are virtually delegating to the President the power to enter into another treaty himself without its having to come to the Senate for approval.

Mr. SPARKMAN. If the Senator will read the report of the Committee on Foreign Relations, that point is dealt with on page 4. I invite the Senator's attention to the language with reference to exemption from Federal taxes:

> The taxes to which section 4 applies will be those imposed by or pursuant to Acts of Congress.

The Senator knows, of course, that from time to time we agree to certain tax treaties as between our country and some other country. It seems to me that that is the purpose of that exception. The bill simply gives the President the power to continue what he can do now.

Mr. THURMOND. I feel very much concerned about the bill. It may be that the present President will not abuse the power; it may be that he will abuse it. It may be that the next President will abuse it. How do we know which President will abuse it? Why should we give the President power to enter into a treaty without the advice and consent of the Senate, which could certainly be obtained if it is needed? I feel that any such agreement ought to come back to the Senate and be acted upon as a treaty, and that we should not delegate such extensive power to the President. He does not now have all the authority that the bill would endow him with, with respect to granting additional privileges and immunities. In my judgment, he should be compelled to submit such treaties to the Senate for its advice and consent.

We have delegated too much power to the President. We have delegated power to him with respect to tariffs and in various other ways. It would take me a long time to enumerate them, if I were to discuss all of them.

I think that what is proposed in the bill is dangerous. Especially when we consider the threat of communism in the world today, it would certainly be dangerous to extend increased privileges and immunities to their personnel if the President sees fit to extend the privileges and immunities that he could under the provisions of the bill.

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

Mr. SPARKMAN. I yield.

Mr. MILLER. I believe I understood the Senator from Alabama to state that the powers granted by the bill are already vested in the President.

Mr. SPARKMAN. The particular powers mentioned by the Senator from South Carolina.

Mr. MILLER. I am wondering whether by that the Senator means it is under the Executive order power.

Mr. SPARKMAN. No. As a matter of fact, I am sure the Senator heard me say, as an illustration, that it would be in keeping with tax treaties. The Senate from time to time ratifies tax treaties with other countries. I have never known them to be otherwise; they are almost always bilateral treaties between the United States and other countries and deal with the particular subject of taxes. The bill would simply maintain the right of the President to exercise the power that is given to him by tax treaties.

Mr. MILLER. The Senator from South Carolina is concerned about greater powers than that, though. As I understand, he is concerned about powers that go beyond merely the powers relating to tax treaties.

Mr. SPARKMAN. The bill, on page 3, provides for only two items: First, exemption from Federal taxes; second, relating to immunity from civil and criminal jurisdiction of members of service staffs who are not citizens of the United States.

Mr. MILLER. I was hoping that the problem could be resolved in this fashion: Is it not true that under the power of the President to enter into Executive orders, he can, whether we like it or not, exercise powers relating to immunities and the other conditions that the Senator from South Carolina is concerned about?

Mr. SPARKMAN. I do not believe that he can unless he is specifically authorized to do so under a treaty or under an act of Congress.

That is an offhand opinion, but I think that I am correct.

Mr. THURMOND. Mr. President, I think the Senator is correct. Page 3, paragraph 2, subhead (b) reads:

(b) The determination of the President as to the entitlement of a foreign diplomatic mission and the personnel thereof to diplomatic privileges and immunities under the Vienna Convention on Diplomatic Relations or under this Act, shall be conclusive and binding on all Federal, State, and local authorities.

I think it is clear that the President does have this power under this bill to exercise prerogatives that he would not otherwise have. It would be a delegation of power which I think is entirely too vast and should be submitted to the Senate in the form of a treaty. It should not be left to his discretion to exercise this vast power given him here.

Mr. MILLER. Mr. President, I come back to this proposition: If the President has the power by Executive order to implement a treaty, then, does he not have the power to do the other things?

Mr. THURMOND. He does not have the power to do the things contained in this bill.

Mr. MILLER. Not by Executive order?

Mr. THURMOND. That is correct. That is the reason that he ought to submit it in the form of a treaty, if he wants to do so.

Mr. MILLER. I wonder if that is really the issue. I am not saying that I disagree with the Senator.

Mr. THURMOND. The point remains, to go back farther, that if he submitted it in the form of a treaty, I would object to it.

I would not have the right to object if the President proceeded by way of an Executive agreement because that would not come to us for consideration and ratification. However, I think he ought to submit this in the form of a treaty, and he should not attempt to enter into an Executive agreement. He has not done so, and I think the President is correct in that.

In this bill, however, it is contemplated to grant the President vast powers that I feel the Senate should pass upon in the matter of foreign relations after action has been taken, and not write out a blank check for the President to fill in.

Mr. SPARKMAN. Mr. President, I yield back the remainder of my time.

Mr. THURMOND. Mr. President, I yield back the remainder of my time.

Mr. President, I move to recommit the bill to the Committee on Foreign Relations for further consideration.

The PRESIDING OFFICER. The Chair rules that that motion is out of order at this time.

The first question is on the motion to reconsider.

Mr. SPARKMAN. The vote will be on the motion to reconsider.

Mr. THURMOND. Mr. President, I do not think it makes any particular difference on the vote.

I move to reconsider the vote by which the Senate passed the bill.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REGULATION OF INTEREST RATES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 381, S. 1956.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1956) to extend for 2 years the authority for more flexible regulation of maximum rates of interest or dividends, higher reserve requirements, and open market operations in agency issues.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

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

Mr. SPARKMAN. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 396), explaining the purposes of the bill.

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

GENERAL STATEMENT

The act of September 21, 1966 (80 Stat. 823), gave the financial regulatory agencies flexible authority to set interest rate ceilings on savings accounts, authorized higher reserve requirements for member banks, and permitted open market operations in direct or fully guaranteed obligations of any agency of the United States. The legislation is temporary and will expire on September 21 of this year.

The Secretary of the Treasury has recommended that the authority be extended temporarily. This bill would provide a 2-year extension. The committee has consulted with affected industry groups and no objection has been filed. The regulatory agencies—the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board—have recommended that the extension be authorized.

Temporary extension of this authority appears clearly to be in the public interest. Copies of the letters from the agencies, along with a copy of the letter from the Secretary of the Treasury, are printed below as follows:

THE SECRETARY OF THE TREASURY,
Washington, D.C.

Hon. HUBERT H. HUMPHREY,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of a proposed bill to extend for 2 years the authority of a more flexible regulation of maximum rates of interest or dividends, higher reserve requirements, and open market operations in agency issues.

The act of September 21, 1966 (80 Stat. 823), gave the financial regulatory agencies flexible authority to set interest rate ceilings on savings accounts, authorized higher reserve requirements for member banks, and permitted open market operations in direct or fully guaranteed obligations of any agency of the United States. However, the legislation is temporary and will expire on September 21 of this year. The Department believes that the authority should be extended temporarily and the enclosed draft bill would provide a 2-year extension.

The flexible interest rate authority provided by the above act enabled the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board, to take action last September that has contributed significantly to a moderation in the excessive competition for consumer savings, has facilitated an increased flow of funds into thrift institutions, and has substantially improved the mortgage market. It is difficult to forecast the conditions that will prevail in financial markets this September, or subsequently, or predict whether the expiration of the interest rate authority would permit a recurrence of the forces that pushed up interest rates and diverted funds from the mortgage market last year. This possibility certainly cannot be dismissed and, given the uncertainty about the future, it seems clearly desirable to extend the authority of the financial supervisory agencies to regulate time and savings deposit interest rates in a coordinated manner.

The extension of the interest rate authority would permit the banking agencies over the 2-year period to act in a timely fashion to avert potentially dangerous developments in the financial market. It would not stifle a reasonable degree of healthy competition in the market for savings, nor would it require interest rate ceilings to be in force at all times. Rather, the banking agencies would be provided with flexible authority to prescribe interest rate ceilings at times when such action is deemed to be in the public interest. Our experience last year strongly testifies to the desirability of an extension of the interest rate authority.

In regard to reserve requirements, the act

of September 21, 1966, authorized an increase in the maximum reserve requirement on time and savings deposits from 6 to 10 percent, while keeping the minimum at 3 percent. This provision broadened the Federal Reserve Board's potential control over time and savings deposits of member banks should that become necessary. While this broadened authority has not yet been used, it is of significant potential value and should be extended.

With respect to Federal Reserve open market purchases, the act of September 21, 1966, clarified the authority to make such purchases to include specifically any direct obligation of, or any obligation guaranteed as to principal and interest by, any agency of the United States. The hearings before the Banking and Currency Committees last year pointed up the need for legislative clarification in this area. The Federal Reserve has already made some use of this clarified authority and it should be extended to help achieve continued improvement in the market for securities of Federal agencies.

It would be appreciated if you would lay the proposed bill before the Senate. A similar bill has been transmitted to the Speaker of the House of Representatives.

The Department has been advised by the Bureau of the Budget that there would be no objection to the presentation of this legislation to the Congress and that its enactment would be consistent with the administration's objectives.

Sincerely yours,

HENRY H. FOWLER.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, OFFICE OF THE CHAIRMAN,
Washington, D.C., June 29, 1967.

Hon. JOHN SPARKMAN,
Chairman, Committee on Banking and Currency, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for a report on S. 1956, a bill to extend for 2 years the authority for more flexible regulation of maximum rates of interest or dividends, higher reserve requirements, and open market operations in agency issues.

The Board favors the proposal.

Sincerely yours,

(signed) WM. MCC. MARTIN, Jr.

FEDERAL HOME LOAN BANK BOARD,
Washington, D.C., July 6, 1967.

Hon. JOHN SPARKMAN,
Chairman, Committee on Banking and Currency, U.S. Senate.

DEAR MR. CHAIRMAN: In response to your request, the Federal Home Loan Bank Board submits its views as to S. 1956 of the present Congress.

This bill would extend the statutory amendments made by the act of September 21, 1966 (80 Stat. 823), which by the existing terms of the act are effective only for a 1-year period beginning on that date. Under the bill, this 1-year period would be changed to a 3-year period.

The September 21 act conferred standby rate-control authority on the Federal Home Loan Bank Board with respect to interest and dividends on deposits, shares, or withdrawable accounts of Federal home loan bank members (other than those whose deposits are insured under the Federal Deposit Insurance Act) and of institutions insured under title IV of the National Housing Act. The Board was authorized to prescribe different rate limitations on the basis (among others) of the amount of the account, or on such other reasonable basis as the Board might deem desirable in the public interest.

In the banking field, it converted the then existing mandatory rate-control authority of the Board of Governors of the Federal Reserve System and the Board of Trustees of the Federal Deposit Insurance Corporation into standby authority and authorized those agencies to differentiate on the same bases as those provided in the case of the Federal Home Loan Bank Board.

Each of the three agencies was directed to consult with the other two before exercising this authority. In addition, the act provided stronger provisions as to reserves of member banks of the Federal Reserve System and authorized the Federal Reserve banks to buy and sell in the open market, under direction and regulations of the Federal Open Market Committee, any obligation which is a direct obligation of or is fully guaranteed as to principal and interest by any agency of the United States.

The Federal Home Loan Bank Board considers it essential that the standby authority conferred on it by the act of September 21, 1966, not be allowed to lapse. Further, the Board believes that continuance of the authority thus granted to the Federal Reserve banks to buy and sell agency obligations would be in the public interest.

We would prefer that there be no time limit, and in any event would hope that the matter of further extension of the provisions or of making them permanent could be presented to the Congress before the extension expired. However, we regard the provisions of the bill as definitely desirable even on the basis of a temporary extension, and recommend that the bill be enacted.

Informal advice has been received from the Bureau of the Budget that there is no objection to the submission of this report and that enactment of the bill would be consistent with the administration's objectives.

With kindest regards, I am,

Sincerely,

JOHN E. HORNE, *Chairman.*

FEDERAL DEPOSIT INSURANCE CORPORATION, OFFICE OF THE CHAIRMAN,
Washington, June 28, 1967.

Hon. JOHN SPARKMAN,
Chairman, Committee on Banking and Currency, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This refers to your request for a report on S. 1956, a bill to extend for 2 years the authority for more flexible regulation of maximum rates of interest or dividends, higher reserve requirements, and open market operations in agency issues.

The act of September 21, 1966 (80 Stat. 823), among other things, provides a statutory flexible basis for regulating interest and dividend rates which may be paid by insured banks and insured savings and loan associations on time and savings deposits or shares or withdrawable accounts. Additionally, the act authorizes the Board of Governors of the Federal Reserve System to increase reserve requirements on time and savings deposits to a maximum of 10 percent and authorizes Federal Reserve open market operations in obligations of agencies of the U.S. Government.

The act now is effective only during the 1-year period which began on September 21, 1966, the date of its enactment; and the purpose of S. 1956 is to extend this period for 2 years, so that the act will remain in effect until September 21, 1969.

The actions taken by the three regulatory agencies under the authority contained in the act of September 21, 1966, served to limit further escalation of interest rates paid by commercial banks and other financial institutions in competition for consumer savings. The new authority to regulate rates paid by savings and loan associations as well as by banks and the more flexible authority with respect to bank rates were valuable tools in coping with the then existing problems and, if retained, should make prompt and appropriate action in this field more feasible in the future.

We believe, therefore, that the authority conferred by the act of September 21, 1966, should be continued. In the absence of legislation to make the authority permanent, we favor the 2-year extension which would be provided by the enactment of S. 1956.

The Bureau of the Budget has advised that there is no objection to the submission of this report and that enactment of S. 1956 would be consistent with the administration's objectives.

Sincerely yours,

K. A. RANDALL, *Chairman.*

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (S. 1956) was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Act of September 21, 1966 (80 Stat. 823) is hereby amended by striking "one-year" and inserting in lieu thereof "three-year".

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair.

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

Thereupon (at 4 o'clock and 55 minutes p.m.) the Senate took a recess subject to the call of the Chair.

The Senate reconvened (at 7 o'clock and 18 minutes p.m.) when called to order by the Presiding Officer (Mr. BARTLETT in the chair.)

NEEDED: A NATIONWIDE EARTHQUAKE INSURANCE PROGRAM

Mr. BYRD of West Virginia. Mr. President, the Senator from Alaska [Mr. GRUENING] has asked me to read a statement which he has prepared.

STATEMENT BY SENATOR GRUENING READ BY SENATOR BYRD OF WEST VIRGINIA

Mr. GRUENING. Mr. President, the distinguished Senator from New Jersey [Mr. WILLIAMS] has taken the leadership in an important project—a proposal for a national flood insurance program.

The Department of Housing and Urban Development, under direction of the Congress in the Southeast Hurricane Disaster Relief Act of 1965, has completed a flood study and has come up with a proposed national flood insurance program. My able colleague from Alaska [Mr. BARTLETT] has pointed out that this proposed legislation has the support of the insurance industry and State insurance officials. The purpose of this bill is twofold. First, to help spread some of the cost of flood damage among property owners through payment of

premiums, and second to attempt to discourage new construction in areas in high flood probability rates.

My colleague from Alaska [Mr. BARTLETT] has suggested that a nationwide earthquake insurance program be included in this program. This is a sensible proposal. The 1964 Good Friday earthquake devastated many cities and communities in Alaska. Homes were destroyed, businesses were ruined. Public facilities were made inoperable. More than $350 million restorative Federal aid dollars were spent to help Alaska rebuild.

Inclusion of an earthquake insurance program in the bill to amend the Federal Flood Insurance Act of 1956, to provide for a national program of flood insurance, and for other purposes, would make possible a more orderly recovery following a natural disaster. The partnership of the Federal Government and private industry would facilitate the recuperation of a stricken area. Few insurance companies underwrite earthquake insurance; and where coverage is available, the premiums are so high that the insurance is prohibitive. I am now making a study of earthquake insurance costs.

Private property owners should have an opportunity to purchase earthquake insurance protection—at a reasonable rate—for their possessions.

I have long supported the concept of flood and earthquake insurance programs and will continue to do so, and commend my colleagues for their perseverance.

AUTHORITY TO RECEIVE MESSAGES AND SIGN DULY ENROLLED BILLS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that following the adjournment of the Senate this evening until noon tomorrow, the Secretary of the Senate be permitted to receive messages from the House of Representatives, and that the Vice President, the President pro tempore and the Acting President pro tempore be authorized to sign duly enrolled bills.

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

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

ADJOURNMENT

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move in accordance with the order previously entered, that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 20 minutes p.m.) the Senate adjourned until tomorrow, Tuesday, July 18, 1967, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 17, 1967:

FEDERAL COMMUNICATIONS COMMISSION

Robert E. Lee, of the District of Columbia, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1967 (reappointment).

ASSISTANT SECRETARY OF COMMERCE

Lawrence C. McQuade, of Arizona, to be an Assistant Secretary of Commerce.

U.S. DISTRICT JUDGES

Richard B. Kellam, of Virginia, to be U.S. district judge for the eastern district of Virginia to fill a new position created by Public Law 89-372, approved March 18, 1966.

John A. MacKenzie, of Virginia, to be U.S. district judge for the eastern district of Virginia to fill a new position created by Public Law 89-372, approved March 18, 1966.

Robert R. Merhige, Jr., of Virginia, to be U.S. district judge for the eastern district of Virginia, vice John D. Butzner, Jr., elevated.

CONFIRMATION

Executive nomination confirmed by the Senate July 17, 1967:

SUBVERSIVE ACTIVITIES CONTROL BOARD

Simon F. McHugh, Jr., of the District of Columbia, to be a member of the Subversive Activities Control Board for the remainder of the term expiring April 9, 1972.

HOUSE OF REPRESENTATIVES

MONDAY, JULY 17, 1967

The House met at 12 o'clock noon.

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

Finally, my brethren, be strong in the Lord and in the power of His might. Ephesians 6: 10.

O Thou whose spirit is truth and whose heart is love, we would bring our little lives to Thy greatness, our weakness to Thy strength, and our ill will to Thy never failing good will. As flowers open to the sun, as children turn to their parents in moments of need, so we come lifting our seeking souls unto Thee praying that we may feel about us the power of Thy life and the peace of Thy love.

We pray for our President, our Speaker, and all the Members of this body. With pressures which tax their resources to the utmost, with duties which demand their attention and absorb their time, with criticisms which come from minds that do not understand, may our people begin to think of these men and women more and more with sympathetic hearts, understanding minds, and supporting spirits; and less and less with provincial prejudices, fruitless fault finding, and carping criticisms.

So we, the leaders of our people, bow before the altar of Thy presence and pray for a greatness of spirit, a purity of heart, and a will to serve Thee and our country with all our being. In the Master's name. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, July 13, 1967, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 10509. An act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1968, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 10509) entitled "An act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1968, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HOLLAND, Mr. RUSSELL, Mr. ELLENDER, Mr. HRUSKA, and Mr. YOUNG of North Dakota to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1320) entitled "An act to provide for the acquisition of career status by certain temporary employees of the Federal Government, and for other purposes," request a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MONRONEY, Mr. YARBOROUGH, Mr. RANDOLPH, Mr. CARLSON, and Mr. FONG to be the conferees on the part of the Senate.

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

S. 25. An act to provide for the establishment of the Great Salt Lake National Monument, in the State of Utah, and for other purposes.

AUTHORIZATION FOR THE SPEAKER TO DECLARE A RECESS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that it may be in order at any time during this legislative day for the Speaker to declare a recess subject to the call of the Chair.

Mr. GERALD R. FORD. Mr. Speaker, reserving the right to object—and I do not intend to object; as a matter of fact, I wholeheartedly concur with the unanimous-consent request made by the distinguished majority leader—I would like to ask the majority leader, if this request is granted, it is only for the purpose of reconvening the House for the purpose of consideration of any legislation concerned with the railroad situation?

Mr. ALBERT. Mr. Speaker, if the gentleman will yield for the purpose of answering his question, the gentleman has properly stated the situation.

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

The SPEAKER. Without objection, it is so ordered.

There was no objection.

AGRICULTURAL EMPLOYMENT REFORM

Mr. KARTH. Mr. Speaker, I ask unanimous constant to address the