

thrown. The police are subjected to verbal and physical abuse, and then a twisted rumor moves about the neighborhood. The final result is a full-scale display of vicious mob savagery which cripples or destroys everything in its mad path.

One could not rightly say that these twisted rumors are the work of outside instigators in all cases, but certainly the seeds of violence are often fertilized and nurtured by a minority of outside agitators overtly and covertly active in fomenting hate and racial strife.

Because these agitators often move in interstate commerce and by their actions cause serious interruption of that commerce, the other body has been developing a piece of legislation which would deal with these agitators who use the instruments of interstate commerce to create racial strife, exacerbate racial passions, and foment racial hatred.

The senior Senator from Ohio [Mr. LAUSCHE], the senior Senator from Delaware [Mr. WILLIAMS], and I have joined in sponsoring a bill in this body which we believe will go far to alleviate this situation and which will put these troublemakers—and some of them are white—out of business and in prison.

This bill—S. 1094—is neither long nor complex. It poses a direct, succinct threat to the instigators and perpetrators of this continuing anarchy by making it a Federal offense to incite or participate in a riot which impairs interstate or foreign commerce. It also makes it a specific Federal crime to interfere with a fireman or law enforcement officer who is performing official duties incident to or during a riot.

The penalty imposed by S. 1094 is neither weak nor inhumane. It provides for a stiff maximum sentence of up to five years and/or a \$10,000 fine.

The bill, which should make anarchists stop and think, is based upon the power of Congress to regulate the flow of commerce. If we can use the "commerce clause" to prevent a man from raising wheat to feed his own livestock, then it certainly seems appropriate to use it to reach a man bent upon destroying the peace of the Nation.

Mr. President, there can be no doubt that this legislation is sorely needed. We must not stand by any longer while little children are wounded and brave policemen and firemen are shot to death or stomped to death by frenzied mobs.

ADJOURNMENT UNTIL FRIDAY AT 10 O'CLOCK A.M.

Mr. LONG of Louisiana. 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 10 o'clock a.m. on Friday.

The motion was agreed to; and (at 6 o'clock and 28 minutes p.m.) the Senate adjourned until Friday, July 21, 1967, at 10 o'clock a.m.

CONFIRMATION

Executive nomination confirmed by the Senate July 18, 1967:

DEPARTMENT OF THE INTERIOR
David Statler Black, of Washington, to be Under Secretary of the Interior.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 18, 1967

The House met at 12 o'clock noon.

Rabbi Jerome Weistrop, Temple Shalom, Milton, Mass., offered the following prayer:

Av Harachamim—Merciful Father,
We ask Thy guidance, that we may work for the goals which we know to be good, despite pressures to act expediently.

Help us to resist the temptation to be satisfied with short-term rewards, that we may work toward permanent achievement.

As these Members of Congress grapple with today's challenges—

Open their minds, that they may learn from each other;

Open their hands, that they may co-operatively work together;

Open their hearts, that they may judge each other's motives charitably.

May we always remember—

If I am not for myself, who will be for me?

But if I am for myself alone, what am I?

Amen.

THE JOURNAL

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 253. Concurrent resolution providing for the printing as a House document of certain maps and indicia relating to Vietnam and the Asian Continent;

H. Con. Res. 346. Concurrent resolution to authorize the printing as a House document the pamphlet entitled "Our Flag";

H. Con. Res. 348. Concurrent resolution authorizing certain printing for the Committee on Veterans' Affairs; and

H. Con. Res. 369. Concurrent resolution authorizing certain printing for the Select Committee on Small Business of the House of Representatives.

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

S. 1581. An act to amend the Federal Voting Assistance Act of 1955 (69 Stat. 584); and

S. 1956. An act 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 message also announced that the Secretary was directed to return to the House of Representatives the bill (S. 1577) entitled "An act to complement the Vienna Convention on Diplomatic

Relations," together with all accompanying papers.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 10368, LEGISLATIVE BRANCH APPROPRIATION BILL

Mr. ANDREWS of Alabama. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the legislative branch appropriation bill for 1968, H.R. 10368.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PELLEY URGES SUPPORT OF SST FUNDS

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

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

There was no objection.

Mr. PELLEY. Mr. Speaker, later today the House will consider H.R. 11456 making appropriations for the Department of Transportation.

This bill includes \$142,375,000 for fiscal year 1968 for the development of two prototypes of the supersonic transport aircraft—the so-called SST.

I understand that during the reading of this bill for amendments, an attempt may be made to eliminate this item. Mr. Speaker, any such effort should be defeated.

The need for the supersonic transport aircraft is supported by the American airlines which, in aggregate, are putting up \$52 million of their own money to participate with the Federal Government in this project. They are investing their own money to make the SST project succeed.

Meanwhile, 129 reservations for delivery of this new plane have been placed by some 26 airlines. These airlines of the world and our Nation believe in the SST, and they have paid in excess of \$23 million in down payments to assure delivery. And, as things now stand, if the United States does not build the SST, these sales will go to the British-French consortium, representing over \$4 billion.

I urge all House Members to oppose any ill-advised attempt to cut or curtail this SST program.

Mr. Speaker, America must stay at the top of the transport aircraft field.

HOW MUCH IS A BILLION DOLLARS?

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

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

There was no objection.

Mr. MICHEL. Mr. Speaker, a few weeks ago we raised the debt ceiling \$22.5 billion. Now, I would like to raise the roof

a little. It is apparent that this Congress, and perhaps a great segment of the American people, have lost sight of the value of a billion dollars. We talk about a billion here and a few billions there, and the whole thing is done as casually as if we were handing out cigars.

In fact, this preoccupation with billions has become, in reality, a substitute for a planned program of attack on our Nation's problems. The answer of the Great Society has simply been to throw billions at any problem and it will go away, and the recent rioting is no exception.

Just how much is a billion dollars? It is a stack of \$1 bills 212 times the height of the Empire State Building. It represents a spending rate of a dollar a minute, year round, for 1,902 years—with \$264,000 left over.

I do not say that our Government billions have been totally wasted. We have made some progress in the fields of highway construction, reclamation, and in various fields where Federal-local cooperative programs have been allowed to work. I do say that we should not begin to take a billion dollars casually. It represents the tax returns of hundreds of thousands of Americans. The art of "billionizing" Federal problems has been proven ineffective.

The next time the Great Society tries to raise the debt ceiling, I am in hopes that the taxpayers of this country will realize that it is in reality not raising anything, but is digging a pit for the future financial security of everyone. We call it raising the ceiling, but we would be more correct to say that we are going further into the hole.

THE PENDING TAX PROPOSAL

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

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

There was no objection.

Mr. HANNA. Mr. Speaker, it is my understanding that the administration is moving forward on a tax proposal for this year. In that regard I should like to make certain observations.

It seems to me that no tax proposal would be entirely correct or candid to the American people if it did not include something of the tax reform that got lost some time ago.

I would also want to speak very strongly as favoring a tax proposal at this time. I believe, considering the requests we have made for the great demands in the Vietnamese war and for the investments which the American people have to make in America itself, we would be doing less than our job if we did not support taking from our great economy that money which is necessary for investment and reducing that which we demand for our own present-day use so that the American of the future will have some of the greatness, some of the opportunities that we have enjoyed because of the invest-

ments made in our land by those who preceded us.

I believe this is the time for a tax program, but it is also time for that long overdue tax reform.

FOREIGN VESSELS OFF THE COAST OF ALASKA

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

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

There was no objection.

Mr. POLLOCK. Mr. Speaker, I regret to inform the House of another invasion by a foreign vessel into American waters off the coast of Alaska. It will be remembered that earlier this year two Russian trawlers were caught fishing in American waters on separate occasions and the captains were arrested and fined. The vessel apprehended this time is Japanese.

The name of the ship is the *Tenyo Maru* No. 3. It is a 330-foot stern trawler, and when seized by the Coast Guard off Segula Island in the Aleutian chain was fishing for ocean perch. Contact was first made by radar by the Coast Guard. This contact revealed that the vessel was within the 3-mile territorial limit. Visual sighting confirmed that the Japanese vessel was fishing in Alaskan waters. The trawler was seized by the Coast Guard and is now being taken to Adak for arraignment. No resistance was offered, and the Japanese ship is proceeding voluntarily.

This is the third intrusion this year by a foreign vessel into Alaskan waters. It emphasizes the need for constant vigilance to protect our territorial water and the new 12-mile fishery zone, and for meting out decisive and swift but just punishment when violations occur. It also demonstrates again the ability and alertness of our U.S. Coast Guard. I wish to commend those Coast Guard personnel involved in this seizure and the Coast Guard as a whole for their fine work.

FIXING PER ANNUM RATE OF COMPENSATION FOR TWO POSITIONS CREATED BY HOUSE RESOLUTION 543, 89TH CONGRESS

Mr. ALBERT. Mr. Speaker, I offer a resolution (H. Res. 746) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 746

Resolved, That, effective as of July 1, 1966, the per annum (gross) rate of compensation (basic compensation plus additional compensation authorized by law) of each of the two positions created by H. Res. 543, Eighty-ninth Congress, shall not exceed the annual rate of basic pay for level V of the Executive Schedule in section 5316 of title 5, United States Code.

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

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR SUBCOMMITTEE ON LIBRARIES AND MEMORIALS OF THE COMMITTEE ON HOUSE ADMINISTRATION TO SIT DURING GENERAL DEBATE, JULY 19

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Libraries and Memorials of the Committee on House Administration may be permitted to sit during general debate on July 19.

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

There was no objection.

PERMISSION FOR SUBCOMMITTEE NO. 5 OF THE SELECT COMMITTEE ON SMALL BUSINESS TO SIT DURING GENERAL DEBATE TODAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that Subcommittee No. 5 of the Select Committee on Small Business may be permitted to sit during general debate today.

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

There was no objection.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO SIT DURING GENERAL DEBATE TODAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may be permitted to sit during general debate today.

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

There was no objection.

WORK PLANS TRANSMITTED BY EXECUTIVE COMMUNICATION NO. 743—COMMUNICATION FROM THE COMMITTEE ON AGRICULTURE

The SPEAKER laid before the House the following communication from the Committee on Agriculture, which was read and, together with the accompanying papers, referred to the Committee on Appropriations:

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C., July 17, 1967.

HON. JOHN W. MCCORMACK,
The Speaker,
The House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture today considered and unanimously approved the following work plans, transmitted to you by Executive Communication No. 743, 90th Congress, and referred to this Committee.

Clatonia Creek, Nebraska.
Eutawcutches Creek, Mississippi.
Farmers Creek, Texas.
Little Sni-A-Bar, Missouri.

North Pigeon, Iowa.
Papillion Creek, Nebraska.
Pecan Creek, Texas.
Tri-Creek, Wisconsin.
Tri-County Hopson Bayou, Mississippi.
Upper Clinch Valley, Virginia.
With best wishes, I am
Sincerely yours,

W. R. POAGE,
Chairman.

PRIVATE CALENDAR

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

E. F. FORT, CORA LEE FORT CORBETT, AND W. R. FORT

The Clerk called the bill (H.R. 2661) for the relief of E. F. Fort, Cora Lee Fort Corbett, and W. R. Fort.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

DEMETRIOS KONSTANTINOS GEORGARAS

The Clerk called the bill (H.R. 1596) for the relief of Demetrios Konstantinos Georgaras (also known as James K. Georgaras).

Mr. HALL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

PUGET SOUND PLYWOOD, INC., OF TACOMA, WASH.

The Clerk called the bill (H.R. 4949) for the relief of Puget Sound Plywood, Inc., of Tacoma, Wash.

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

Mr. TALCOTT and Mr. HALL objected and, under the rule, the bill was recommitted to the Committee on the Judiciary.

CARLOS ROGELIO FLORES-VASQUEZ

The Clerk called the bill (H.R. 2036) for the relief of Carlos Rogelio Flores-Vasquez.

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

H.R. 2036

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Carlos Rogelio Flores-Vasquez shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee.

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

MRS. INGE HEMMERBACH HILTON

The Clerk called the bill (H.R. 6096) for the relief of Mrs. Inge Hemmersbach Hilton.

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

CAPT. REY D. BALDWIN

The Clerk called the bill (S. 95) for the relief of Capt. Rey D. Baldwin.

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

S. 95

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Captain Rey D. Baldwin, United States Air Force, is hereby relieved of all liability for repayment to the United States of the sum of \$905.84, representing the amount of overpayments of basic pay received by the said Captain Rey D. Baldwin, for the period from March 19, 1960, through December 31, 1963, such overpayments having been made as a result of his having been erroneously credited for pay purposes with military service previously performed by him in an enlisted grade. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this Act.

Sec. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Captain Rey D. Baldwin, the sum of any amounts received or withheld from him on account of the overpayments referred to in the first section of this Act.

With the following committee amendment:

Page 2, line 8, insert: "No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

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

JESSE C. JOHNSON

The Clerk called the bill (S. 324) for the relief of Jesse C. Johnson.

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

S. 324

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Jesse C. Johnson, of Warner Robins, Georgia, is hereby relieved of all liability for repayment to the United States of the sum of \$1,804.43, representing overpayments of salary which he received as an employee of the Department of the Air Force at Robins Air Force Base, Georgia, for the period from July 14, 1957, through May 15, 1965, such overpay-

ment having been made as a result of administrative error when he was erroneously given a within-grade step increase, effective July 14, 1957. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this Act.

Sec. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Jesse C. Johnson, the sum of any amounts received or withheld from him on account of the overpayments referred to in the first section of this Act. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

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

MRS. CHIN SHEE SHIU

The Clerk called the bill (S. 636) for the relief of Mrs. Chin Shee Shiu.

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

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

There was no objection.

CLARA B. HYSSONG

The Clerk called the bill (H.R. 1655) for the relief of Clara B. Hyssong.

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

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

There was no objection.

FRANK I. MELLIN, JR.

The Clerk called the bill (H.R. 1674) for the relief of Frank I. Mellin, Jr.

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

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

There was no objection.

MRS. LESSIE EDWARDS

The Clerk called the bill (H.R. 1680) for the relief of Mrs. Lessie Edwards.

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

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

There was no objection.

CHILDREN OF MRS. DORIS E. WARREN

The Clerk called the bill (H.R. 2454) for the relief of the children of Mrs. Doris E. Warren.

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection?

COMDR. ALBERT G. BERRY, JR.

The Clerk called the bill (H.R. 2757) for the relief of Comdr. Albert G. Berry, Jr.

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

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

There was no objection.

IKE IGNAC KLEIN

The Clerk called the bill (H.R. 3474) to require the Foreign Claims Settlement Commission to determine the amount and validity of the claim of Ike Ignac Klein against the Government of Hungary, and for other purposes.

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

H. R. 3474

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any provision of title III of the International Claims Settlement Act of 1949 relating to limitations of time with respect to filing claims or making awards, or any prior decision of the Foreign Claims Settlement Commission, such Commission shall receive and determine the amount and validity of the claim of Ike Ignac Klein of New York, New York, against the Government of Hungary, if such claim is filed with the Commission within six months after the date of enactment of this Act. The Commission shall receive and determine such claim in accordance with all other provisions of title III of the International Claims Settlement Act of 1949 and the award, if any, made by the Commission shall be paid by the Secretary of the Treasury from the War Claims Fund in an amount which bears the same ratio to such award as the aggregate of payments made from the Hungarian Claims Fund bears to the aggregate of awards made by the Commission for payment from the Hungarian Claims Fund. The Commission shall recertify to the Secretary of the Treasury the amount of any award made under this Act with respect to claims allowable under section 303(1) of title III of the International Claims Settlement Act of 1949 and the award so recertified shall be deemed, for the purposes of title II of the War Claims Act of 1948, to be an award recertified under section 209(b) of such Act.

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

MAURITZ A. STERNER

The Clerk called the bill (H.R. 3865) for the relief of Mauritz A. Sterner.

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

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

There was no objection.

T. MICHAEL SMITH

The Clerk called the bill (H.R. 4015) for the relief of T. Michael Smith.

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

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

There was no objection.

MRS. HAZEL M. LaFRANCE

The Clerk called the bill (H.R. 5025) to confer jurisdiction on the U.S. Court of Claims to hear, determine, and render judgment on certain claims of Mrs. Hazel M. LaFrance against the United States.

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

SWIFF-TRAIN CO.

The Clerk called the bill (H.R. 6004) for the relief of Swiff-Train Co.

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

H. R. 6004

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Swiff-Train Company of Corpus Christi, Texas, is relieved of liability to the United States in the amount of \$4,832.87, representing the excess duties in connection with the importation of the items covered by consumption entry numbered 106-C, dated February 23, 1956, assessed on the basis of an erroneous appraisal of such items. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for amounts for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Swiff-Train Company the sum of \$1,396.27. The payment of such sum shall be in full settlement of all claims of the said Swiff-Train Company against the United States for overassessment of duties by the collector of customs of Galveston, Texas, in connection with the importation of the items covered by consumption entry numbered 106-C, dated February 23, 1956. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Strike all after the enacting clause and insert:

"That notwithstanding any statute of limitations, the defense of res judicata, or the dismissal of a prior action, jurisdiction is hereby conferred upon the United States Customs Court to hear, determine, and render judgment on the appeal of the Swiff-Train Company of Corpus Christi, Texas, of the appraisal of an importation of cer-

tain steel bars through the port of Houston, Texas, under consumption entry No. 106-C, dated February 23, 1956. The action authorized by this Act shall be filed within one year of its effective date."

The committee amendment was agreed to.

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

FRED W. KOLB, JR.

The Clerk called the bill (H.R. 6189) for the relief of Fred W. Kolb, Jr.

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

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

There was no objection.

ALGONAC MANUFACTURING CO. AND JOHN A. MAXWELL

The Clerk called the bill (H.R. 6462) granting jurisdiction to the Court of Claims to render judgment on certain claims of the Algonac Manufacturing Co. and John A. Maxwell against the United States.

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

H. R. 6462

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any statute of limitations or administrative determinations, jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and render judgment for any amount found to be legally or equitably due upon the claims of the Algonac Manufacturing Company and John A. Maxwell for damages, if any, arising out of the criminal and civil prosecution of said Algonac Manufacturing Company and John A. Maxwell following termination by the United States on October 2 and October 16, 1953, of contracts entered into by the United States and Algonac Manufacturing Company. Such judgment shall include the amount, if any, found to be owing to Algonac Manufacturing Company and John A. Maxwell as damages on account of misrepresentation of employees of the United States, abuse of process, conversion and misappropriation of property, and false arrest incident to and arising out of such prosecution. Such suit shall be instituted within six months after the date of enactment of this Act: *Provided*, That the procedure for the determination of such claims, and review thereof, and payment thereon, shall be the same as in the case of claims over which the Court of Claims has jurisdiction as now provided by law.*

With the following committee amendments:

Page 1, line 6, strike "legally or".

Page 1, line 7, strike "equitably".

Page 2, line 3, strike "Such" and insert "Notwithstanding the tort claims provisions of title 28, such".

The committee amendments were agreed to.

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

DR. EMANUEL MARCUS

The Clerk called the bill (H.R. 7599) for the relief of Dr. Emanuel Marcus.

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

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

There was no objection.

CHARLES WAVERLY WATSON, JR.

The Clerk called the bill (H.R. 8091) for the relief of Charles Waverly Watson, Jr.

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

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

There was no objection.

ATHANASIA ARGERE

The Clerk called the bill (S. 39) for the relief of Athanasia Argere.

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

S. 39

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, as amended, Athanasia Argere may be classified as a child within the meaning of section 101(b)(1)(F) of that Act, and a petition may be filed in her behalf by Mr. and Mrs. Nicholas Grapsas, citizens of the United States, pursuant to section 204 of the Act.

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

ROSA ANNA GENOVESE

The Clerk called the bill (S. 256) for the relief of Rosa Anna Genovese.

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

S. 256

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, as amended, Rosa Anna Genovese may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, and a petition may be filed in her behalf by Mr. and Mrs. Seb Sbona, citizens of the United States, pursuant to section 204 of the Act.

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

ROSA AGOSTINO

The Clerk called the bill (S. 280) for the relief of Rosa Agostino.

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

S. 280

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Na-

tionality Act, as amended, Rosa Agostino may be classified as a child within the meaning of section 101(b)(1)(F) of the Act upon approval of a petition filed in her behalf by Katherine Ferrier, a citizen of the United States pursuant to section 204 of the Immigration and Nationality Act.

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

SETSUKO WILSON (NEE HIRANAKA)

The Clerk called the bill (S. 534) for the relief of Setsuko Wilson (nee Hiranaka.)

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

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

There was no objection.

HYE SUK PAENG AND MI KUNG PAENG (PATRICIA ANN)

The Clerk called the bill (S. 822) for the relief of Hye Suk Paeng and Mi Kung Paeng (Patricia Ann).

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

S. 822

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Hye Suk Paeng and Mi Kung Paeng (Patricia Ann), the widow and daughter of the late Charlie E. Tripp, a citizen of the United States, shall be held and considered to be aliens eligible for immediate relative status under the provisions of section 201(b), and the provisions of section 204 of the said Act shall not be applicable in these cases.

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

ELISABETA HORWATH

The Clerk called the bill (H.R. 2485) for the relief of Elisabeta Horwath.

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

H.R. 2485

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Elisabeta Horwath shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

With the following committee amendment:

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

"That the Attorney General is authorized

and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Elisabeta Horwath. From and after the date of the enactment of this Act, the said Elisabeta Horwath shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

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

RAMIRO VELASQUEZ HUERTA

The Clerk called the bill (H.R. 3497) for the relief of Ramiro Velasquez Huerta.

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

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

There was no objection.

TERESINA FARA

The Clerk called the bill (H.R. 4159) for the relief of Teresina Fara.

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

H.R. 4159

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Teresina Fara shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

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

"That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Teresina Fara. From and after the date of the enactment of this Act, the said Teresina Fara shall not again be subject to deportation by reasons of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

The committee amendment was agreed to.

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

ROBERTO MARTIN DEL CAMPO

The Clerk called the bill (H.R. 5216) for the relief of Roberto Martin Del Campo.

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to

the request of the gentleman from Alabama?

There was no objection.

JAN DROBOT

The Clerk called the bill (H.R. 8254) for the relief of Jan Drobot.

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

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

There was no objection.

RICHARD K. JONES

The Clerk called the bill (S. 454) for the relief of Richard K. Jones.

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

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

There was no objection.

ELI ELEONORA BIANCHI

The Clerk called the bill (H.R. 3195) for the relief of Eli Eleonora Bianchi.

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

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

There was no objection.

DESPINA AND CHRISTINA HATZISAVVAS

The Clerk called the bill (H.R. 3881) for the relief of Despina and Christina Hatzisavvas.

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

H.R. 3881

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 203(a)(1) and 204 of the Immigration and Nationality Act, Despina and Christina Hatzisavvas shall be held and considered to be the natural born alien daughters of Mr. and Mrs. George James, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

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

"That, in the administration of the Immigration and Nationality Act, Christina Hatzisavvas may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. and Mrs. George James, citizens of the United States, pursuant to section 204 of the Act."

The committee amendment was agreed to.

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

The title was amended so as to read: "A bill for the relief of Christina Hat-

zisavvas." A motion to reconsider was laid on the table.

MARIA KOLOMETROUTSIS

The Clerk called the bill (H.R. 7427) for the relief of Maria Kolometroutsis.

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

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

There was no objection.

SONG SIN TAIK AND SONG HYUNG HO

The Clerk called the bill (H.R. 7516) for the relief of Song Sin Taik and Song Hyung Ho.

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

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

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 171]

Ayres	Hébert	Resnick
Baring	Hungate	Roudebush
Brown, Calif.	King, Calif.	Ruppe
Burton, Calif.	Kluczyński	Scheuer
Casey	Long, La.	Schweiker
Cowger	Miller, Calif.	Steed
Cramer	Murphy, N.Y.	Taft
Dent	O'Konski	Taylor
Eckhardt	Passman	Teague, Calif.
Feighan	Pike	Teague, Tex.
Garmatz	Pool	Whitener
Gibbons	Pryor	Williams, Miss.
Hays	Rarick	Willis

The SPEAKER. On this rollcall 393 Members have answered to their names, a quorum.

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

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

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

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DEPARTMENT OF TRANSPORTATION APPROPRIATION BILL, 1968

Mr. BOLAND. Mr. Speaker, I move that the House resolve itself into the

Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11456) making appropriations for the Department of Transportation for the fiscal year ending June 30, 1968, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 3 hours, the time to be equally divided and controlled by the gentleman from Ohio [Mr. MINSHALL] and myself.

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

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Massachusetts.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11456, with Mr. UDALL in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the unanimous consent agreement, the gentleman from Massachusetts [Mr. BOLAND] will be recognized for 1½ hours and the gentleman from Ohio [Mr. MINSHALL] will be recognized for 1½ hours.

The Chair recognizes the gentleman from Massachusetts [Mr. BOLAND].

Mr. BOLAND. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the bill now being considered by the Committee of the Whole is the first annual appropriation bill for the newest Department of the Federal Government—the Department of Transportation.

As chairman of the Subcommittee on Appropriations for the DOT, I want to express my appreciation to the members of the committee for their spirit, cooperation, and their industry during the lengthy hearings on this bill—the gentleman from California [Mr. McFALL], the gentleman from Illinois [Mr. YATES], the ranking minority member, the gentleman from Ohio [Mr. MINSHALL], and the gentleman from North Carolina [Mr. JONAS].

May I add that all of us on the committee are grateful to the staff for the splendid manner in which they joined in advising and counseling the committee—Ralph Preston, Tex Gunnels, and Tom Kingfield.

It can be said that the new DOT has started well—and particularly when the magnitude of its problems is considered. All of us were pleased with the ability, the knowledge, and the frankness of the people who oversee the various activities of the Department.

The committee is pleased with the progress made thus far by the Department. In some instances where reductions in numbers of additional personnel are recommended, the reductions should not be interpreted as criticism of officials of the Department for not hiring more personnel in the time available. The positions recommended represent what the committee believes to be a reasonable rate of hiring.

All of us in the Congress want this Department to be an effective branch of the Government, for all of us realize the tremendous and important scope of its responsibilities. We want this Department to succeed. The committee is anxiously seeking that the Department begin well. If too hasty selections of personnel are made in efforts to staff the Department, without the patient searching and careful screening required to find the best man for the job in each instance, the Department could quickly become yoked with a burden of mediocrity which could only result in years of

difficulty in achieving programed goals and a general lack of effectiveness.

The committee is convinced that the Department has been prudent and judicious thus far, in selecting its personnel. We urge that this policy be continued.

The funds in the bill are in six titles. The funds provided in the bill that we are recommending to the House total \$1,530,198,372. The budget request for fiscal year 1968 is \$1,718,618,772. The figure we recommend is \$188,420,400 below the budget request, or a reduction of about 11 percent as indicated in the following summary:

Summary of appropriations

	Appropriations, fiscal year 1967	Budget estimate, fiscal year 1968	Recommended in bill	Bill compared with—		Percent reduction below estimate
				Appropriations, fiscal year 1967	Budget estimate, fiscal year 1968	
Title I, Office of the Secretary.....	\$3,000,000	\$16,400,000	\$12,935,100	+\$9,935,100	-\$3,464,900	21.1
Title II, Coast Guard.....	498,681,000	524,246,000	519,306,500	+20,625,500	-4,939,500	9.9
Title III, Federal Aviation Administration.....	988,026,500	942,960,000	886,361,000	-121,665,500	-76,599,000	8.1
Title IV, Federal Highway Administration.....	209,610,000	207,662,772	113,001,772	-96,660,228	-94,661,000	45.6
Title V, Federal Railroad Administration.....	22,000,000	23,050,000	14,594,000	-7,406,000	-8,456,000	36.7
Title VI, other activities.....		4,300,000	4,000,000	+4,000,000	-300,000	7.0
Grand total, all titles.....	1,721,317,500	1,718,618,772	1,530,198,372	-191,119,128	-188,420,400	11.0

The Department requested for non-military personnel a total of 59,560—or an increase of 1,579 civilian personnel over 1967.

We recommended 59,035 positions, which is a reduction of 525, or 33 percent of the requested increase.

Mr. Chairman, the committee report, I think, details rather persuasively the information contained therein and will give the Members of the Committee of the Whole House on the State of the Union a rather thorough understanding of what the committee has done.

It is my intention to review briefly some of the reductions and some of the actions that the subcommittee took. Other members of the subcommittee will discuss other phases of the bill.

For the Office of the Secretary, the request was \$8,300,000. We reduced that by \$1,314,900.

This amount is sufficient to provide 433 of the 515 permanent positions requested under this heading. Testimony on the total amount of jobs requested by the new Secretary of the Department of Transportation, Alan Boyd, indicated that there were, in our judgment, a number of positions that would not have to be filled in fiscal year 1968; so we reduced his request by 82 positions. It is my judgment, and I think it is the judgment of the members of the subcommittee, that the Secretary of Transportation is doing a good job. We commend him for the caution with which he and his staff have added personnel to the various activities within the Department, and as I indicated in my remarks a moment ago, we urge that this policy be continued.

In "Transportation research," the Secretary, of course, is responsible for the implementation of sound transportation policies, and this necessarily embraces transportation research.

The Department's request for 1968 was

\$6,100,000. We considered an additional \$2,000,000 under this heading because the committee restructured this appropriation to more closely reflect the organizational control of the funds requested. Corresponding adjustments were made in the requests of the Federal Railroad Administration. The total amount considered under "Transportation research" was \$8,100,000. We reduced this by \$2,150,000.

The Coast Guard requested for "Operating expenses" \$368,972,000. We reduced this amount by some \$24,535,000 for Reserve training. They requested to have Reserve training included under operating expenses. We said to them that we would like to retain this account separately, so we reduced the \$368 million by that amount for Reserve training and set it up in a separate budget account. We believe this will give the Congress better visibility of the Reserve program, and it will certainly give the committee better visibility over this account.

We recommend in the bill \$339,992,500 for "Operating expenses" for the Coast Guard in the vast area in which it operates. Funds are provided for search and rescue, aids to navigation, merchant marine safety, marine law enforcement, ice-breaking, oceanography, and pay and allowances of both military and civilian personnel. There is an increase of \$13,588,500 over fiscal 1967, but the major share of the increase is due to the effort in Vietnam.

Also the Coast Guard has assumed new duties with reference to the Bureau of Commerce with respect to the documentation of vessels and port security, and some of the functions have been transferred from the Corps of Engineers with respect to bridges and drawbridges over navigable waters.

The Acquisition, Construction and Improvements request of the Coast Guard

was for \$107,014,000. We recommend the entire amount for this item. This item is broken down in the committee report on page 9. The authorization by the Merchant Marine and Fisheries Committee was for five high-endurance cutters. These are the first line ships of the Coast Guard. All of them are good, but these are the best of the Coast Guard. They set up a plan for buying new ships to replace some of those that are overage. It was the judgment of the Committee on Merchant Marine and Fisheries that five high-endurance cutters should be constructed this year.

The Coast Guard also requested \$12 million for an oceanographic vessel, and we indicated in the report on the bill that they ought to take the \$12 million and buy a second high-endurance cutter and forget about the oceanographic vessel for awhile. So we fund two high-endurance cutters, one more than the budget proposed.

There is some concern on the part of this committee, as there is on the part of other committees of Congress, that there are too many agencies of the Government performing oceanographic studies. We have suggested to the chairman of the Appropriations Committee, the gentleman from Texas [Mr. MAHON], that a staff study be made on oceanographic problems.

We believe there ought to be a special study made to find out precisely where and what the Government is spending money on oceanography. This money is being spent in several places. We appropriate for it in the independent offices appropriation bill, we appropriate partly for it in this bill, and there is an appropriation in the Department of Defense for oceanography. We think it is about time that the Federal Government get a look at where this money is going. So if next year there is a determination that the Coast Guard ought to be the agency that spearheads oceanographic studies, then I am sure it will meet with favorable consideration by this committee.

So in this bill, in effect, what we do is indicate to the Coast Guard that it should go out and buy two high endurance cutters instead of the one they requested, and we ask them not to buy the oceanographic vessel which would cost \$12 million. The high endurance cutters cost about \$14,500,000 each.

In Reserve training, they requested \$24,535,000. This is the item I indicated a moment ago on which we asked that it be set up in a separate budget account. This we do in the bill. We recommended \$24,300,000, a reduction of \$235,000, which is a token reduction.

Title III covers the Federal Aviation Administration. All of us are familiar with it. This is not a new agency. They are responsible for practically all problems with respect to air navigation of the Nation. It is the judgment of this committee—and I am sure of Members of Congress who have had anything to do with Federal Aviation Administration—that this is truly a great administration, and that it has done a tremendous job in the field of air navigation.

The "Operations" appropriation—and this includes the operation of the air

traffic control system—covers installation and materiel services, maintenance of the traffic control system, administration of medical programs, flight standards activities, and so on. These are all programs of the Federal Aviation Administration, and they are all funded under the operations budget for the FAA. They requested \$598,400,000. We recommend \$593 million, a reduction of \$5 million.

In traffic control they requested 648 new positions, and we funded the entire 648 new positions. I believe we can all understand why we did it. This is the area where aviation is growing at the rate of approximately 17 percent a year, and, because of that rapid growth, it is absolutely necessary for them to have additional personnel in these areas where passengers' safety is concerned. So we funded the 648 new positions they requested for the operation of the traffic control system.

In the facilities and equipment account, they requested \$35 million. We reduced it by \$5 million. This covers the purchase of facilities and equipment that go into the various airports throughout the Nation.

Research and development is a program that must, of necessity, be carried on. New ideas, new ways to insure safety in the air, new ways to insure safety on the ground at the airports are included here. They requested \$27,500,000. We gave them \$27 million, a reduction of \$500,000.

On the operation and maintenance of the National Capital Airports there was a request for \$8,500,000 in the budget, and the budget requested that we merge these two operations. Heretofore, the budget for Dulles Airport and the budget for the Washington National Airport were separate, but in our judgment we believe that the Department made a good case for merging the two budgets. It is not a particularly large budget, \$8,500,000. We will not lose congressional visibility of the operations of the two airports. They will have to come up and justify before the committee the moneys that are being spent at both airports, so we will get a good look at their programs. So we did approve the request for the merging of the two budgets for the National Capital Airports.

We also approved the request for \$160,000 for construction of a building for maintenance at Dulles to cover some of the snow removal equipment that is now uncovered and which, of course, suffers from the inclement weather.

As to the grants-in-aid for airports, under the FAA, the request was for \$75 million for fiscal year 1969. This program is funded 1 year in advance so that the airports in the United States which request funds under this program can plan and will know precisely the amount of money available from the FAA.

This is a matching grant program, a 50-50 matching grant program.

We reduced it \$10 million. The basis for the reduction was twofold.

We appropriated in a supplemental 1967 bill, \$66 million for this program for 1968. We believe they will have their hands full in determining what airports

around the Nation will be eligible for the \$66 million, so we say that the \$65 million we forward fund for fiscal year 1969 is sufficient for this program.

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

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

Above and beyond that, Mr. Chairman, we believe that the legislative committee ought to take another look at the grants-in-aid for airports program. In the judgment of our committee, after listening to the testimony, we are convinced that some of this money is unwisely spent in some of the smaller airports around the Nation.

The money is given out on the basis of the population of a State and the area of a State, so every State is eligible. That is the formula.

In our judgment, too much money is being spent on some of the smaller airports. Attention is given, of course, to the larger airports, but in our judgment it does not meet the emergency problems which now confront the traveling public in the great airports of the Nation. We believe there should be another look at this program, and we suggest to the authorizing committee that it look at this program, and perhaps come up with a new formula.

There is no question about the fact that the amount of money we appropriate every year for this program is nowhere near sufficient to meet all of the problems which are current with respect to the airports all over the Nation. We say they ought to take another look at it. I hope that the authorizing committee will do so.

The civil supersonic aircraft development gave some of the members of the committee a problem. It has given some of the public a problem. It has given the communications media a problem.

Congress crossed this bridge some years ago when we appropriated the first funds for this program.

This is the civil supersonic aircraft, which is longer than a football field. It is 6 feet longer than a football field, and will travel at a speed of mach 2.7 or about 1800 miles per hour. It will fly non-stop for a range of 4,000 miles. It has a variable swept back wing, and can fly subsonically with the wings extended and supersonically with the wings retracted.

These planes will cost some \$40 million each. The Federal Government's share of the program up to this point is \$511 million. That is what we have appropriated up to the request for fiscal year 1968.

The request this year was for \$198 million. We recommend a reduction of \$55 million, but the reduction will not hurt the program at all. Actually almost all of the reduction of \$55 million will come in what is known as the payback reserve fund.

The managers of the civil supersonic transport program have put into a payback reserve fund moneys to pay the contractors if the Government should suddenly decide to cancel the program. There was some \$35 million in the program for that purpose up to this fiscal year, and I believe they requested al-

most \$19 million in the program for this year, or a total of about \$54 million.

We said that the Government is an insurer anyhow, and if we end the program there is a liability the Government will have to pay, so there is no sense in putting \$54 million in escrow somewhere for the purpose of paying liability claims which might arise in the future, if the Government does not go forward with the program.

What we would do here with the \$142 million that we recommend is to obligate the U.S. Government to prototype stage of this aircraft. It would obligate us to see this program through the development of two prototype aircraft and also to have 100 flight test hours of the two prototypes. The total amount which the Federal Government will have invested through this phase, the prototype phase, including the 100 hours of test flight, is \$1.2 billion.

Some of the other members of the committee and the gentleman from Ohio [Mr. MINSHALL] will explain how the Federal Government will get its money back. We think it will.

Mr. Chairman, as I indicated, there are some other problems that are concomitant with this program such as sonic boom, the technical feasibility of the project itself, the amount of money we are to expend, whether or not after we get into the production phase of the program we ought to continue to help finance the program or withdraw from it and permit the private financing thereof.

However, Mr. Chairman, this represents a bridge which we shall cross when we come to it.

As I said a few moments ago, Mr. Chairman, we must get the plane in the air in order to answer these questions and there is no other way in which the prototype can get into the air with 100 hours of test flight unless we do what we are precisely proposing to do here today.

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

Mr. BOLAND. Mr. Chairman, I yield myself 2 additional minutes.

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

Mr. BOLAND. I am happy to yield to the gentleman from Minnesota.

Mr. MACGREGOR. Mr. Chairman, I thank the distinguished gentleman from Massachusetts, the chairman of the subcommittee on the Department of Transportation, very much for yielding to me at this point.

Mr. Chairman, I have asked the gentleman to yield to me at this time for the purpose of asking the gentleman this question:

The gentleman from Massachusetts has clearly indicated that we have in the Congress committed \$511 million of the taxpayers' money to the civil supersonic transport development project.

But I understood the gentleman from Massachusetts to say that the approval, and the ultimate passage by the Congress, of the recommended appropriation for fiscal year 1968 of \$142,375,000 would commit us through the prototype development stage and as a result of those commitments, a substantial

amount of additional money would be needed in fiscal years 1969 and 1970.

Mr. BOLAND. The gentleman from Minnesota is exactly correct. I am sorry I misled the gentleman in my original statement. What I meant to say was that this gets us into the prototype development phase that we are entering. However, in the further development of the prototype there will be a lot more millions of dollars necessary before we get to the end of this program. The total amount we will have invested is estimated to come to \$1,200 million.

Mr. MacGREGOR. Mr. Chairman, if the gentleman from Massachusetts will yield further, that is over and beyond the \$142,375,000 contemplated now about which the gentleman is speaking or approximately \$500 million of the taxpayers' funds before we complete the prototype development stage?

Mr. BOLAND. The \$142,375,000 is a part of the \$1.2 billion.

Mr. EVINS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the distinguished gentleman from Tennessee.

Mr. EVINS of Tennessee. Mr. Chairman, I thank my distinguished colleague for yielding. I wish to take this time to commend the gentleman from Massachusetts [Mr. BOLAND], the chairman of this Subcommittee on Appropriations, for his great work on this bill.

The gentleman is serving as the first chairman on the Subcommittee on Appropriations for the newly created Department of Transportation. He has presented an excellent report.

The gentleman from Massachusetts has performed a magnificent service and has brought to the floor of the House a good bill and I commend him for it.

Mr. Chairman, all of us know that the distinguished gentleman from Massachusetts [Mr. BOLAND] serves as a member of the Independent Offices Subcommittee on Appropriations. I have had the privilege during the past several years of serving with him on the Independent Offices Subcommittee on Appropriations where he works hard and brings a sense of commitment. He is also a member of the Subcommittee on Public Works of the Committee on Appropriations. It has often been said that to get a job done, give a busy man more work. Mr. BOLAND is active and busy in many areas.

Mr. Chairman, the gentleman from Massachusetts is to be commended for his great work on this bill which he has just presented to the Members of the House.

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

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

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

Mr. BOLAND. I yield to the gentleman from California.

Mr. McFALL. Mr. Chairman, at this time I would like to offer my commendation to the chairman of the Subcommittee on the Department of Transportation. This is the gentleman's first presentation before the Committee of the Whole

House on the State of the Union since becoming chairman of the subcommittee in the handling of an appropriation bill before this body.

Mr. Chairman, this new Transportation Subcommittee, chaired by the gentleman from Massachusetts, has performed in my opinion a good job and that good job is primarily attributable to the efforts of the distinguished gentleman from Massachusetts who now occupies the well.

Mr. Chairman, the gentleman from Massachusetts has performed a wonderful job in the committee. His presentation today is most explicit.

In addition, the gentleman from Massachusetts always has the never-failing courtesy and good humor that makes it a pleasure for the other members of the committee to work with him.

Mr. BOLAND. Mr. Chairman, I appreciate the commendation of the distinguished gentleman from California [Mr. McFALL]. Actually, I enjoy this work. However, Mr. Chairman, I do not wish to consume any more time, except to say that I know numerous Members may be disturbed as a result of the cuts which have been made in the highway safety program. However, let me say to them that the Committee on Appropriations has not recommended that the highway safety program be killed or even crippled.

Far from it. The committee recommends approximately \$41,034,000 for fiscal year 1968 as compared with \$20 million provided for these programs in 1967. Other members of the committee will go deeper into these programs, and I believe the Members will understand why the cuts were made, and why they were justified.

For instance, on the State and community highway safety programs they asked for \$100 million, and we gave them \$20 million for a very obvious reason. There was an appropriation of \$10 million in fiscal year 1967, and they had obligated up to May of this year only \$547,000. At this time I understand the obligations run to about \$2 million.

When we get into some of the other programs that they recommend funding, I believe you will agree that this is a program where we ought not to shovel the money out.

We are all interested in highway traffic safety, but we are not going to accomplish this by the unnecessary expenditure of money. Sometimes unnecessary expenditure of money can kill people on the highways. Because this possibly can be so we have in our judgment treated these programs fairly. If the cuts have been too deep and there is genuine concern over them, in those areas where we have already established the program, then of course that can be corrected. But in the judgment of the committee we do not believe there has been.

Mr. Chairman, let me say further that a great many of the cuts come in with respect to personnel. It is difficult to find personnel. I know there were some remarks made by those who received a lot of publicity in this field in the last few days, saying that you can get personnel anywhere, but this is not so. The testimony of Lowell Bridwell, who, in our

judgment, is a good administrator of the Federal Highway Administration, indicates they are having a difficult time in getting properly trained personnel and good personnel to run the program. As a matter of fact, they even have some training programs to secure the type of personnel that are needed in his Administration, so that they will not be a burden but an asset to the Department.

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

Mr. BOLAND. I yield to the gentleman from Connecticut.

Mr. MONAGAN. Mr. Chairman, I would like to ask the gentleman one question:

It seems to me the gentleman from Massachusetts has not taken sufficient credit. He has pointed out that the requests were \$188 million below the budget asked for fiscal year 1968, and the gentleman should point out what seems to me to be a very significant thing, and that is the request is \$191 million below the actual appropriation for fiscal year 1967, which I believe must be almost unique in the requests on the committee this year. I believe the gentleman should take credit for that.

Mr. BOLAND. I appreciate the gentleman's remarks.

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

Mr. BOLAND. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, I simply wanted to concur with what the gentleman has said, because this morning we have been holding a hearing in our Roads Subcommittee specifically with reference to the Federal aid to highways program, and I concur in the views the gentleman has presented that we should enhance our programs and that we should be spending more money on the safety of the American highways, and also on the highway driving skills, and the testimony this morning indicated that we do have a problem, as you know, within the categories of driving beyond the speed limits, and driving while intoxicated, and some other things.

So I just wish to concur with the gentleman from Massachusetts.

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

Mr. BOLAND. Mr. Chairman, I yield myself 2 additional minutes.

I do this because I did miss one important item in this budget, and that is with reference to the highway beautification program. There was no program money requested in this bill under the highway beautification program, but there was a request for \$1,750,000 for administrative expenses to oversee the highway beautification program that is now in operation, and we allowed \$1,200,000. I believe the appropriation last year for highway beautification was \$80 million. We have to provide the administrative expenses to properly carry out the program already funded. There is legislation pending before the Congress to change the funding of the highway beautification program. Consequently, the department did not request funds to implement the program, the junkyard

screening, the highway beautification and enhancement of scenic roads, but we did believe they ought to go ahead in administering the program already funded, so we provided \$1,200,000 for that purpose.

The bill provides \$14,594,000 for the Federal Railway Administration, \$8,456,000 less than the amount requested. The greatest part of the reduction is in the high-speed ground transportation program.

The committee recommends the appropriation of \$10,300,000, a reduction of \$8,300,000 below the budget estimate.

The budget requested \$2,300,000 under this heading to finance the national transportation statistics program in the Office of the Assistant Secretary for Research and Technology. The committee feels that the funds should be appropriated directly to the Office of the Secretary in the first instance and has so provided.

The appropriation recommended for "high-speed ground transportation research and development" provides funds for administration of the two major activities of the program; namely, research and development, and demonstrations.

The budget requested \$8,000,000 for certain research and development projects, for which the committee has allowed \$3,850,000. Specifically, the committee denies the \$200,000 requested under this heading for "cost methodology" and allows \$500,000 of the \$1,900,000 requested for research and development concerning air cushion vehicles. A number of other agencies, both Government and private, have research and development programs concerning air cushion vehicles and that information should be available to the Department. The remaining reductions should be applied by the FRA to the lowest priority programs.

For demonstrations, \$9,611,000 was requested and the committee has allowed \$5,650,000. Specifically denied is the \$3,511,000 for the "auto-on-train" project. We do not feel that the Federal Government should finance a project of this nature during this period of high Federal deficits. If the project is economically feasible, there is no reason why private industry cannot proceed with it. The remaining \$450,000 reduction is to be applied to low priority items in other demonstrations programs.

The budget requested \$989,000 for administration, and the committee has allowed \$800,000. The committee has denied the seven additional positions which were requested.

The bill includes language authorizing the St. Lawrence Seaway Development Corporation to make expenditures from funds and borrowing authority of the Corporation to carry out the programs proposed in the budget for the Corporation. The language included in the bill is the same language provided last year and requested in the budget.

The limitation on administrative expenses of the St. Lawrence Seaway were reduced by \$1,000 to \$514,000 as a part of the committee's overall action on representation funds.

The bill provides \$4 million for the newly established National Transporta-

tion Safety Board. Most of the reduction involves personnel and is spelled out in detail in the report.

I hope that the House will approve the bill as recommended by the Committee on Appropriations.

The CHAIRMAN. The gentleman from Massachusetts [Mr. BOLAND] has consumed 29 minutes.

The Chair recognizes the gentleman from Ohio [Mr. MINSHALL].

Mr. MINSHALL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman and Members of the Committee, at the outset I want to say it has been a distinct pleasure to work with the gentleman from Massachusetts [Mr. BOLAND] and with other members of this subcommittee on this new Department of Transportation appropriation bill.

We spent over three weeks in actual hearings on this bill, but I want to say, based on the time we have spent on, for example, the Defense Department appropriation bill, this does not seem very long so far as time is concerned.

But I also want to emphasize that although we spent three weeks on this bill, these were probably the most concentrated and condensed, long hours of sessions that Capitol Hill has seen in a long, long time.

All of the Members worked diligently and hard. We have come up with what we think is a good bill. We know that amendments will be offered in some cases to make further cuts beyond those that we have made. We also know that amendments will be offered to increase appropriations that we have recommended.

Since the department officially came into being, only a little more than three months ago, our special subcommittee on the Department of Transportation appropriations has had to work, at what seemed to be like supersonic speed, to get this budget request for the fiscal year 1968 to the floor of the House.

Initially the burden was on the Department and its six agencies involved getting their funding requests formulated and their justifications prepared for the committee. They had a new task and a complicated one, which for the most part was well done.

But many of their plans are right off the drawing board and, like a new car, the Department of Transportation is being road-tested and won't come up for a real inspection until next year. The Secretary, although he has received his driver's permit, still has to prove that he can operate the new vehicle safely and economically.

Our published hearings indicate that the committee crammed more than a thousand pages of testimony into 10 days of sessions over a 3-week period. This, of course, accounts for only a fraction of the time we spent on spadework before the hearings began and on continuous homework and consultation with experts during and after the hearings.

I wish to point out that while the committee assuredly has felt a time pinch in handling the appropriation bill, my remarks are not to be construed as reflecting either on the Department, which has had its hands full since April 1 in

organizing and absorbing the various agencies, or on the committee. I hope, and anticipate, that next year far more time will be given to consider the requests of the fourth largest Department in our Federal system with its budget approaching \$6 billion.

The committee carefully avoided a crash program assault on the budget requests, yet has come up with a total reduction of \$191,119,128 less than was appropriated for all of the agencies involved in the last fiscal year. That is a reduction of nearly 11 percent, despite creation of the Office of the Secretary with its attendant personnel and operational requirements.

In addition to cutting this year's budget more than \$191 million below last year's appropriation, we reduced it more than \$188 million below the amount requested by the new Department for fiscal 1968.

It is important to emphasize that the committee at all times has been mindful that a principle and most important function of the Department of Transportation is public safety in the air, on the highways, railways, and waterways.

No dollar sign can be hung on the life of any citizen and the billions of dollars in goods and property involved in our Nation's vast transportation system would far outweigh any false economy cuts in the field of safety.

The budgetary reductions made in the transportation bill are in the interest of saving taxpayers' dollars. The committee is satisfied that the Department's promotion of transportation safety will in no way be impaired.

It is less than a year since the House debated creation of the Department of Transportation.

A very real concern at that time was that the Congress might be handing over its power of determining how Federal funds would be spent by the new Department. The legislation as it originally came to us last August would have loosened our control of the purse strings.

As it finally evolved from the House-Senate conference for our approval last October, the structure of the Department had been substantially changed from the original proposal. I think the fact that the committee achieved a \$188 million reduction in the fiscal 1968 request is solid evidence that Congress has a firm grip on those purse strings. And, the fact that we were able to reduce the 1968 departmental request by \$191 million less than was spent by the agencies when they were scattered throughout the Government is a promise that, with careful congressional oversight, the new Department can prove to have been a move in the direction of economy and efficiency in handling our transportation problems.

It might be well at this point, before getting into the facts and figures of this year's budget, to briefly review the structure of the Department of Transportation.

The Office of the Secretary has been limited in its authority by Congress, as a means of protecting the virtual autonomy of the various transportation agencies under its jurisdiction, and to preserve congressional oversight of revision

of existing transportation policies and programs. The Secretary may develop investment standards, but approval still rests with Capitol Hill.

Briefly, the Secretary's general duties provide that he develop a national transportation policy to be recommended to the President and Congress for implementation; coordinate and administer transportation programs; identify and recommend solutions to Congress for transportation problems; coordinate research and development activities; cooperate with the Secretary of Labor in transportation labor-management situations; investigate safety compliance records of applicants seeking operating authority from the Interstate Commerce Commission, conduct studies with the Secretary of Housing and Urban Development to determine which Department should handle urban mass transportation functions, subject to congressional approval, and, finally, to develop standards and criteria which, with congressional approval, would be used as guidelines for investment of Federal funds in transportation, such investments also subject to our review and decision.

You will note that the Secretary is required to come to the Congress with his plans. It will be our decision as to whether he goes ahead or not. It was this aspect of the new Cabinet-level office which was of such great concern to many of us when the bill originally came to the House last year. I only wish that the rightful control of Congress over other departments in the executive branch were as carefully protected. We could achieve some real economy in the overall budget.

Functions which have been transferred to the new Transportation Department include—

From the Department of Commerce, the program and staff of the Office of Under Secretary of Transportation, including emergency transportation, highway beautification, and high-speed transportation programs; the Bureau of Public Roads, including the highway trust fund, and the St. Lawrence Seaway Development Corporation.

From the Department of the Treasury, the U.S. Coast Guard. Added to the Coast Guard's responsibilities are all authority over drawbridge operation, bridge tolls, anchorages, sea pollution, and bridge clearance, transferred from the Department of the Army. The Great Lakes Pilotage Administration, formerly in the Commerce Department, also is now under Coast Guard jurisdiction.

Transferred, in its entirety as an independent agency, the Federal Aviation Agency, including its airport construction and supersonic transport program.

The new Federal Railroad Administration is comprised of the Alaska Railroad, from the Department of the Interior, and the Bureau of Railroad Safety, formerly a part of the Interstate Commerce Commission. FRA's duties also include high-speed ground transportation research and development, railroad and pipeline safety, transportation of explosives and other dangerous material, and railroad employee service.

The National Transportation Safety

Board has been given across-the-board authority over rail, motor carrier, pipeline and marine safety, as well as all of the accident and safety functions of the Civil Aeronautics Board.

The Transportation Safety Board is under the umbrella of the Department of Transportation, but is completely independent of the Office of the Secretary and other departmental units.

In this autonomous role, the Board will review the overall safety program, investigate and determine cause in transportation accidents, and hear appeals of certification and license application actions. As we point out in our report, the committee feels some apprehension that the Board's broad jurisdiction could well duplicate functions of other agencies in the Department.

The committee has urged the Transportation Safety Board to confine its activities to accident investigation and appeals during this formative period.

These are the components of the Department of Transportation.

As one who was concerned that creation of such a Department might well be an additional burden on the taxpayer and a burgeoning of the bureaucracy, I am encouraged to believe that with careful congressional control the Department can launch a new era in expansion of our national transportation network and in improving safety standards which will save millions of lives and dollars.

Consolidation of our varied transportation agencies under one roof makes good sense in the interest of efficiency. Efficiency usually goes hand in hand with economy. It is up to us in Congress to keep a tight grip on the financial reins of the agency.

In this regard, let me report to you what the committee has determined as a result of its scrutiny of the Department's first budget request.

At the beginning of my remarks, I pointed out that we reduced the total DOT request for fiscal 1968 by more than \$188 million. I will detail those cuts in a moment. What is also remarkable, in my opinion, is that the committee's final figure for fiscal 1968 for the entire Department is \$191 million less than the amount Congress funded last year when the various agencies were fragmented throughout the executive branch.

The total appropriation we recommend for fiscal 1968 is \$1,530,198,372. Last year's total appropriation for the transportation agencies came to \$1,721,317,500.

Without being unduly optimistic, I believe we can look to this reduction as a hopeful sign of the wisdom of consolidating these agencies.

We have achieved this economy despite an increase in personnel requirements.

The number of positions in transportation agencies during fiscal 1967 was 57,938. DOT asked for an increase of 2,522.

The committee readily granted their request for 900 new Coast Guard military, but reduced by almost one-third the request for 1,622 new civilian employees. We cut that number by 525. Our report makes it clear that we were not carried away in any premature burst of

enthusiasm. Congress should watch and evaluate the Department's employment requirements during the coming year. DOT is only in its fourth month of existence. By the time the 1969 fiscal request is made, both the Department and the Congress will be in a better position to evaluate actual employment needs.

On a section-by-section basis, let me quickly telescope the committee's action on the 1968 requests as detailed on pages 32 through 36 of the report.

The Office of the Secretary includes funds for transportation research. For this function the committee recommends \$5,950,000, a reduction of \$2,150,000, or 26 percent below the Department's request for \$8.1 million. The Secretary's request for \$8.3 million for salaries and expenses of his office during the next fiscal year was reduced by almost 16 percent, to \$6.9 million.

The Secretary asked for 515 permanent positions in his office. The committee recommends only 433 positions, for a salary savings of \$1,324,000.

Military requirements in Vietnam have placed a new burden on the Coast Guard and the increase of \$20.6 million over last year's appropriation is traceable largely to the war. The committee has approved \$519,306,500 for the Coast Guard in fiscal 1968, a reduction of just under \$5 million in the budget request.

The committee has cut the Federal Aviation Agency's overall budget request by 8 percent. This is a reduction of \$76.5 million for fiscal 1968. The \$866,361,000 we recommend in the bill represents a reduction of \$121 million, or 12 percent, under the amount appropriated for FAA last year.

FAA asked for a total increase of 648 new positions in operation of its traffic controls system. The committee, mindful of the heavy responsibility it must share for public safety with the Department, has recommended that the agency be permitted to fill those positions. Two of the Nation's busiest air route traffic control centers, for example, at Chicago and New York, last month set new records for total number of flights handled. The workload of the traffic control system is fast outstripping FAA's capability without addition of the requested personnel. As our report points out, there can be no compromise with the safety of passengers and crews in our aircraft.

FAA activities, independent of the supersonic transport program, were increased by the committee \$15.9 million over the 1967 appropriation. Most of this increase is for grants-in-aid to airports in fiscal 1969, and in operation, maintenance, and construction at the National Capital airports. The amount recommended by the committee for FAA activities in fiscal 1968 is \$723,986,000, a reduction of almost \$21 million from the budget request.

As the report points out, on page 16, nearly all of the \$55.6 million the committee cut from the supersonic transport budget is based on a difference as to the source of funds for the program, not in the amount of funds provided for the program. We have recommended an appropriation of \$142,375,000 for fiscal 1968 for development of two prototype SST's.

The Federal Highway Administration budget has been cut by the committee by \$94,661,000, some 45 percent less than was requested for fiscal 1968 and \$96.6 million less than the amount Congress appropriated in fiscal 1967.

Much as the committee wishes to encourage and promote traffic and highway safety programs, both are still in a state of development and flux in the Department. After considerable study and testimony, it was the determination of the committee that highway officials are premature in budgetary requests for vastly expanded positions. They asked for some 900 positions. The committee has cut that request by 300 for a saving of \$4.8 million in salaries. At this point in the development of the traffic and highway safety programs we are convinced that crash programs of hiring personnel can be ill advised and unnecessary.

The highway beautification program was cut by \$550,000 under the amount requested and an increase in personnel was denied. As the report points out, on page 23, we saw no reason to permit an increase for an activity for which program authorization has expired and for which new authorization is uncertain. With proper management, the \$1.2 million we are allowing for beautification should be sufficient to administer the program during the next fiscal year.

The Chamizal Memorial Highway, which has been the subject of past controversy in the House, is being funded in the amount of \$4 million, half the amount requested.

Funds for the Federal Railroad Administration were reduced \$8.4 million by the committee, or about 36 percent, below the budget request of \$23 million. The \$14.5 million recommended by the committee is \$7.4 million less than the 1967 appropriation.

In concluding this summary of budgetary action, I must point out that the \$300 million reduction in the National Traffic Safety Board includes personnel reduction which will save \$251 million in salaries. Here again the committee applauds and encourages the Department in its enthusiasm, but feels that it is premature in its job requests. As I stated earlier, the next year will establish how much overlapping or duplication may be involved in Safety Board activities.

The coming year will be the road test for the entire Department. I am encouraged in the hope that the Department of Transportation will conscientiously strive toward its admirable goals. I am convinced it can make great progress within the budgetary scope the committee has given it.

Certainly the economic and personal concern of every American is bound up in the success of the new Department as it works, side by side with private endeavor, to expand the Nation's transportation system, to keep it competitively in stride with the rest of the world, and to make it not only the greatest, but the safest and most economical system.

The committee has striven to give the taxpayers the most mileage for their tax dollar in this bill, without a sacrifice of safety. The Department of Transportation is now in the driver's seat and

it is up to it to demonstrate its skill in the year ahead.

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

Mr. MINSHALL. I shall be glad to yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, I rise to commend the gentleman in the well for his usual very articulate statement. I think we are very fortunate to have the gentleman from Ohio [Mr. MINSHALL] serving in this ranking minority position on this new Subcommittee on Appropriations for the Department of Transportation. Certainly, Mr. Chairman, the fact that the gentleman has an extensive aviation background actually places the gentleman in a unique position to evaluate all of the various requests coming from this very important department.

In order to substantiate what I started to say earlier with respect to comments made to the chairman of the subcommittee, the distinguished gentleman from Massachusetts [Mr. BOLAND], whom I also wish to commend, referring to highway safety, I would like to take just a minute, if I may, to point out to the gentleman from Ohio certain excerpts from the statement of the president of AASHO, Mr. E. M. Johnson, which was presented before our special committee investigating the Federal-aid highway program just today, July 18, 1967.

I support the chairman and ranking minority member of this committee in their recommendation for a cutting of funds for their stated reasons because the testimony presented to our Federal-Aid Highway Investigation Committee this morning tends to substantiate what the gentlemen have previously said.

Reading from the statement there is the following.

Highway safety involves three areas—the vehicle, the highway and the driver. In fact, it is a three-legged structure and for such a structure to be stable, each support must be completely adequate.

We readily admit that some further progress in traffic safety can be made on even our most modern highway facilities, but the most fertile field for achieving traffic safety lies with the improvement of the driver.

Highway Administrators and engineers are firm in this position.

We see far too much hazardous and wasteful use of our highway space even though the average driver generally does a good job.

Some of the things you can see that contribute to accidents are driving when fatigued, driving when intoxicated, driving beyond conditions, aggressive driving, tailgating at high speed, driving too slow, driving with smooth tires, not planning a trip in advance as to proper routes and exits, exiting from the wrong lanes, and not knowing how to drive on a freeway. One of the most hazardous things on a two-lane facility is passing on hills.

These things are entirely too prevalent and while we accept the responsibility in the highway field of enhancing chances of survival in case a vehicle goes out of control, to a large extent we are merely treating the symptoms or the results and not correcting a major cause of accidents.

Recently, at a National Conference, we were advised by outstanding Motor Vehicle Administrators and State Highway Patrol officials, that no less than 10 percent of the drivers on our highways were operating with a revoked license or had no license at all. This further underscores the need for im-

proving the quality of the person permitted to operate a vehicle.

And, it goes on.

Mr. Chairman, we found that similar money requests were made in the so-called water quality program wherein people seem to have the idea that all we have to do is to appropriate money and you get results thereby.

Mr. Chairman, I wish to compliment the gentleman in the well and the gentlemen of the subcommittee for making the recommendation to this House upon what I believe to be a very realistic appropriation bill.

Mr. Chairman, one thing I would like to ask further, if the gentleman will comment upon the committee report wherein it says:

The committee is well aware that the airports in our major cities are growing more and more congested and that this airport congestion is a major factor in the safety and continuance of air travel. Notwithstanding, the committee does not feel that the grants-in-aid program as authorized provides the best means for coping with this problem.

I want to compliment the committee for this statement.

Many of us are very much concerned about the growing crisis in metropolitan areas with respect to adequate aviation and airport facilities and the chaos in airport congestion in this country at this particular time. What are the plans for future financing of an adequate airport system in the country, which is now sadly behind the increasing and expanding aviation demands. I would like to have the advice and counsel of the gentleman in the well, who is very qualified in the field of aviation.

Mr. MINSHALL. I would reply to the gentleman that we are going to get into those things in detail a little later on. However, I do want to thank the gentleman for his very fine remarks. I would also like to say that although I am a pilot, that does not qualify me as an expert. As you well know, there is a saying in the flying fraternity that "any landing you can walk away from is a good landing," and I only hope I can walk away from the well of the House at the conclusion of debate on this bill with all we have asked for and with no changes therein.

Mr. DON H. CLAUSEN. If the gentleman will yield again just briefly, it is my hope that the committee will spend considerable time next year in evaluating what I believe to be one of the major transportation problems in this country, the field of airport congestion.

A totally new approach to airport problems, construction and financing must be seriously considered. I realize that this is a new appropriation subcommittee and the first bill to be presented to the House.

However, in the future, with more time, a broader look must be given to the airports' needs. Frankly aviation is expanding so rapidly, a crisis is in the making. We cannot sweep this problem under the rug so I am pleased to learn of the gentleman's and the committee's concern and awareness.

I respectfully ask that you consult the

general aviation experts of the Nation, some revealing facts await you as I know the gentleman from Ohio [Mr. MINSHALL] is already aware of.

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

Mr. MINSHALL. I yield to the gentleman from New York.

Mr. ROBISON. Mr. Chairman, I thank the gentleman for yielding.

The gentleman in the well has addressed himself in passing, more or less, on the SST program, and if the gentleman will permit, I would ask him to yield for the purpose of answering two questions.

Mr. MINSHALL. Mr. Chairman, if the gentleman will hold his questions with reference to the SST program for a while, we are going to go into that later. And, as I understand it, an amendment is going to be offered, at which time we will get into that subject in some detail.

So I believe it would be more appropriate for him to withhold his questions concerning the SST program until a little later time.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Ohio has consumed 26 minutes.

Mr. BOLAND. Mr. Chairman, I yield 5 minutes to the able and distinguished member of the committee, the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I want to join the other members of the committee in congratulating our distinguished chairman, the gentleman from Massachusetts [Mr. BOLAND], for the outstanding job he has done as chairman of this committee.

I remember the late beloved Sam Rayburn, the great Speaker of this House, once said that he could pay no higher compliment to a Member of the House than to say that he knew his bill. I say this about the gentleman from Massachusetts. As has already been demonstrated so well today, he knows his subject and he knows his bill.

As the chairman who conducted the hearings on the Department of Transportation, he was superb. He was knowledgeable, he was courteous and helpful, he was fair, and he was analytical. It was a pleasure to serve with him, and it was a pleasure to serve with my other colleagues on the committee.

Our chairman has explained this bill quite thoroughly. I will only express a few remarks on two subjects. The first relates to what the gentleman from California [Mr. DON H. CLAUSEN] was talking about: that is, the question of highway safety. The question is what do we do in this country about skyrocketing automobile insurance costs? There are approximately 83 million automobiles registered in the United States at this time. The automobile is no longer a luxury. It has become a necessity, and of course with the automobile you have to have some kind of automobile insurance. The number of high-risk casualty companies is increasing. The number of such companies being placed in receivership or becoming insolvent is also increasing. Of course, the loser in this picture is John Q. Public himself.

Between January 1, 1955, and the present date, the average rates for a minimum level of automobile liability insurance covering bodily injuries rose by 112 percent in Michigan, by 95 percent in South Carolina, by 83 percent in Virginia, by 54 percent in Massachusetts—which now has the highest rates of the Nation, let me say—followed closely by New York, where rates went up by only 22 percent in the last few years, but that was because its rates were then the highest.

The Subcommittee on Antitrust of the Committee on the Judiciary of the other body held hearings in 1965 and found at that time that there were 300,000 policyholders and accident victims, many seriously injured, who were seeking \$600 million in claims from companies who had net collectable assets of \$25 million. When the claims are finally settled the American public will have lost millions of dollars in unpaid claims.

In the 6 years preceding January 1967, 73 companies writing motor vehicle insurance became insolvent.

In Pennsylvania where 17 companies became insolvent there are an estimated 4,000 claims and these claimants will receive an average of 1 cent on the dollar for their claims.

In Illinois where 12 insurance companies became insolvent, leaving an estimated 50,000 claims for which the claimants will receive approximately 25 cents on the dollar.

In Missouri seven companies declared insolvency and the estimated number of claims is 20,000 and it is expected that the claimants will receive about 10 cents on the dollar.

Last year there were 50,000 deaths and 4 million injuries related to automobiles. The problems are immense. Too often, insurance companies which operate under State law in the main are allowed to carry on their business practices without regulation and without qualified personnel.

These are the major reasons for the financial collapse of the 73 companies that became insolvent in the past 6 years. Too much money has been lost. Too many people have been hurt and too long have insurance companies gone on on a basis of few examinations and inadequate regulation.

That is why, Mr. Chairman, I have written to the Department of Transportation asking that an investigation be made by that Department of the auto insurance industry looking to having a critical examination of rates and policies, of selection and categorization of applicants, and of arbitrary cancellation of policies by the companies.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOLAND. Mr. Chairman, I yield 3 additional minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, secondly I want to mention the subject upon which some remarks have been made on the floor. That is the SST—the supersonic transport.

As the gentleman from Minnesota [Mr. MACGREGOR] stated about the cost of the program—so far we have invested only

\$511 million in research leading up to the development stage. It is anticipated that another \$700 million will have to be expended before the prototype will be able to take flight. After the prototype stage is completed, it is anticipated that another \$3.3 billion will have to be expended in order to place this plane on a commercial basis.

These, it must be pointed out, are the anticipated costs, the estimates. Based upon the experience we have had in military programs so far, these estimates will have to be increased by at least 50 or 100 percent.

But the financial difficulties are only one part of the problem. There are so many other complications that ought to be checked. I only want to mention one other factor.

In my home city of Chicago, a few years ago we received our first jarring experience with the sonic boom when supersonic military planes participated in defensive exercises over our city. The boom which sounds like an exploding artillery shell broke windows, cracked walls, and jolted people.

The SST in flight generates this kind of sonic boom. The developers of the plane hope the American people will learn to live with the sonic booms as they learned to live with the screeches of the jet aircraft. But until that boom is placed under greater control, supersonic transports will fly only over water and over uninhabited areas.

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

Mr. MINSHALL. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. YATES].

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

Mr. YATES. I yield to the gentleman from North Carolina.

Mr. JONAS. I intended to ask the gentleman to yield when he was talking about casualty insurance. The gentleman went on to the SST before I could ask him to yield.

I thought that Dr. Haddon was too severe in his comment in the hearings about the cooperation given in the area of highway safety by the casualty insurance companies. As a matter of fact he stated that the contribution of the insurance companies had been practically nil. I was so surprised and puzzled at this that I made a little investigation because I cannot think of any group of people in the United States who should be more interested in reducing highway accidents than those who manage the casualty insurance companies.

Mr. YATES. I agree with the gentleman.

Mr. JONAS. I found an article in the May 5, 1967 issue of the National Underwriter, the national weekly newspaper of fire and casualty insurance companies, indicating that this industry has expended about \$1 billion since 1896 in promoting highway safety, and that during the last 20 years the expenditures in this field have averaged around \$40 million a year. I was glad to get that information because I could think of nothing dumber than for the insurance industry to fail to use whatever efforts were

available and to take whatever action is appropriate to try to reduce highway accidents. I was glad to find that they are quite active in this field.

Mr. YATES. I thank the gentleman for his contribution.

Mr. MINSHALL. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. MACGREGOR].

The CHAIRMAN. The gentleman from Minnesota is recognized for 10 minutes.

Mr. MACGREGOR. Mr. Chairman, we are today asked to appropriate another installment totaling more than \$142 million from taxpayers' money to pay for the continuing costs of development of two prototype civil supersonic transport airplanes.

I ask only that before we vote these funds we give a full hearing to the alternative of using private investment sources as substitute financing for this purely commercial project. A practical, workable method of using private investment funds is presented in legislation introduced in the 89th Congress and again this year by our colleague, FRANK BOW, and myself. These bills in this 90th Congress are H.R. 12 and H.R. 4495. They are pending before the House Committee on Interstate and Foreign Commerce.

Of course there are compelling reasons why the United States should proceed with the development and eventual production of a supersonic transport airplane.

This country has long been a leader in the field of aviation, and no one wishes to relinquish this position. Although the commercial construction phase of the American SST would not begin until several years after the British-French Concorde, ours would be a larger and faster aircraft. In spite of the later production of the U.S. SST, 26 of the world's airlines have secured delivery positions for 113 of the aircraft, while 13 carriers have ordered a total of only 74 Concorde.

As with all space-age research, the SST project will cast more light on how man can further harness the forces of nature. Moreover, research and development of the SST is yielding, and will yield, related benefits, many of which cannot be foreseen.

The SST will bring the nations of the world even closer together—a further step toward a worldwide community. The travel time between Washington and London, for instance, would be cut from the present 7 hours to something less than 3 hours. The Los Angeles to Honolulu run, now about 5 hours, would be cut to 2 hours.

Development of the SST will sustain the favorable impact of U.S. aircraft sales to foreign countries on our balance of payments. If we build our own SST, not only will our domestic airlines buy the U.S. product instead of the foreign craft, but we will earn foreign exchange by sales of our own craft to foreign countries. The total positive impact of the SST for the period 1974-90 is estimated to be as high as \$54 billion.

But hearings before the Appropriations Committee of the House of Representatives show that, in spite of the many likely benefits to be gained from development and production of the SST, the

program is enormously expensive. Under present plans, the Johnson administration would be committed to spend at least \$1.1 billion in taxpayers' money through the prototype development stage—phase III. Only later, in phase IV, would the first SST production aircraft be built. We are here asked to appropriate \$142.4 million for fiscal year 1968.

With the Defense Department's escalating Vietnam budget of about \$25 billion annually, with no decrease foreseeable in the near future, and with an estimated deficit for this year of up to \$30 billion, appropriations should not be voted for a commercial venture without careful public consideration of alternative financing plans.

Congressman Bow of Ohio, and I have introduced companion bills which would provide for private investment funds instead of Government appropriations to be used for development of the SST. The bills would establish an SST authority which would be authorized to float up to \$2.5 billion in bonds through normal investment channels. They would be private bonds, with the principal and interest guaranteed by the Government.

The Transportation Subcommittee of the House Committee on Appropriations, in its current report on the SST, page 18, expressed some doubt about the feasibility of such a method of financing, but this doubt might be easily dispelled.

First, there is no question that sufficient funds could be obtained through normal investment channels. The Federal Reserve System reports that total gross proceeds from the sale of noncorporate bond issues during 1966 was about \$45 billion. Some indication of the enormous potential of private investment backlog is reflected by the fact that time deposits alone are at an alltime high of nearly \$224 billion.

With the Government guarantee of principal and interest, the companies involved would be capable of backing up the bonds with a sure payoff. Moreover, any risk involved for the investor in buying the bonds would be obviated by the guarantee, so that the bonds could be floated annually at the normal market rate for such bonds.

Besides the ability to float sufficient bonds to cover the cost of developing the SST, it would be cheaper both for the Government and for the contractors to use the private method of financing provided in our proposed legislation.

The contracts with Boeing and General Electric contemplate that the Government is to be repaid by the contractors at cost plus 6 percent if 500 aircraft are sold. This would amount to \$60 million interest on \$1 billion worth of appropriations. Government-guaranteed private bonds, on the other hand, could be floated at about 5 percent, or \$50 million on a \$1 billion serial bond issue. Thus, the private financing method would be cheaper for the contractors.

It would also be cheaper for the Government. If the project is successful and the contractors are thereby able to pay off their bondholders, the Government would not have to spend one dime on it. Forecasts of future markets for the SST, relied upon today by the Department of

Transportation, show that this is by far the most probable outcome.

But even if the project failed and the Government had to make good its guarantee on the bonds, it would still be cheaper since the interest rate on the private bonds is lower than that on Government short-term securities which would be used to finance this proposed deficit expenditure.

In this connection, the committee in its report on the SST appropriation, page 18, stated that the Government could borrow money at lower rates than could private industry. Nothing could be further from the truth.

There is a frozen statutory interest limitation of 4½ percent on Government long-term bonds. There is simply no market for these bonds at that rate. Consequently, shorter term securities would have to be used. Two- to five-year participation certificates are currently being offered with coupon rates of 5¼ to 5½ percent. The 10- to 15-year long-term serial bonds contemplated under our legislation, in contrast, would sell according to current market indications at about 5 percent.

Mr. Chairman, the supersonic transport project can be funded either by our already overburdened taxpayers, through the appropriations bill now before us, or by the general investing public through the less costly method of private financing. The legislation introduced by the gentleman from Ohio [Mr. Bow] and myself provides a sound and sensible method whereby necessary funds for the development, certification, and commercial production of the SST may be raised through normal and usual investment procedures.

These bills, therefore, offer a practical, workable alternative to the use of appropriated funds and should be explored and evaluated before Congress commits more of the taxpayers' money to financing the SST program.

There is more than \$100 million in unspent Federal funds alone now available for 1968 for the project, so that postponement of the appropriation request for even several months would not delay the work. Moreover, the British-French Concorde is already slated for production about 3 years before an American SST, so that even if there were a few months' more delay, it would not alter our position relative to our competitors to any degree.

H.R. 12 and H.R. 4495 are now pending in the Committee on Interstate and Foreign Commerce. Proper legislative procedure and a decent concern for the tax-paying public of America demands full public hearings on these bills as soon as possible. The alternative of non-Federal financing provided by the Bow-MacGregor legislation must be explored before additional funds are appropriated.

Mr. Chairman, it is apparent that there are enough funds on hand to carry this program through calendar year 1967 and perhaps a bit longer. I call upon my colleagues to strike the new funds now, conduct a thorough hearing on the Bow-MacGregor bills, and then proceed with one or the other course of action. This will not delay the program. It will cost

nothing. It may well save the taxpayers hundreds of millions.

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

Mr. MacGREGOR. I yield to the gentleman from Wisconsin.

Mr. REUSS. Mr. Chairman, I commend the gentleman for his reasoned and reasonable approach to the SST. I will support the gentleman in his endeavors on the floor this afternoon. I know there are amendments at the desk with respect to the SST appropriation.

Considering the budgetary situation which we face, and the situation we face in terms of excess demand for skilled scientists, technicians and engineers, I believe it would be in the public interest to postpone this marginal item. I appreciate the gentleman's bringing this to our attention today.

Mr. MacGREGOR. I think the gentleman from Wisconsin.

May I say to my colleagues that I believe they would enjoy reading a further exposition of the excellent position of the gentleman from Wisconsin by reading his excellent statement filed in the committee report beginning on page 1022 and extending to page 1024.

I thank the gentleman for his assistance.

Mr. BOLAND. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. ADAMS].

Mr. ADAMS. Mr. Chairman, as a member of the Committee on Interstate and Foreign Commerce, first I want to commend the Appropriations Committee, and particularly the gentleman from Massachusetts [Mr. BOLAND], for the very fine job they have done in presenting this matter.

Before beginning my prepared remarks, I might reply to the gentleman from Minnesota and the other gentleman with regard to the Committee on Interstate and Foreign Commerce.

We had a full report from the FAA on the financing, the sonic boom, and the other portions of this program earlier this year, before the Committee on Interstate and Foreign Commerce.

I believe our position has been made clear—I hope it has—to the gentleman and to our colleagues, that the Committee on Interstate and Foreign Commerce has an interest in the proposal which has been made. It was our feeling that the prototype development program which has been suggested was sound and at this time we should continue this program and start the prototypes.

It may well be that the type of program the gentleman mentioned is the ultimate method of financing it.

We have had some experience in that regard. As an example, at the present time the committee is discussing proposals to set up a corporation to do something with public education television. When we try to establish one of these public corporations we do have delays and a great deal of material to debate.

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

Mr. ADAMS. I yield to the gentleman from Minnesota.

Mr. MacGREGOR. I well remember the extensive debate we had when we

set up the Communications Satellite Corp. It was extensive in this body, and very extensive in our sister body.

Although I deeply appreciate the gentleman's comments at this time, that is exactly the same answer I got a year ago when I sought to save not \$142 million but \$280 million of the taxpayers' money on the SST. Apparently it is the answer I will get every year until we own up to our responsibilities and at least explore the possibility of private financing so as to take this load off the backs of the taxpayers.

Mr. ADAMS. I say to the gentleman that there is at the present time, as I know the gentleman is aware, a great deal of private financing which has been offered by the airlines and which has been accepted. The financing which is occurring at the present time is being done on a contract basis rather than on a more involved Government-type corporation basis.

This has been a reasoned judgment. Perhaps the gentleman disagrees, but the reasoned judgment which has been made, at least, is to go forward with this prototype development.

I would point out, as I know will be pointed out by other members of the committee today, that the British-French Concorde is 3½ years ahead of this SST and the TU-144, the Russian version, is expected to fly this fall.

The problem we have in selling airplanes which are on the drawing board is that in order for the private financing to take place and the companies to sign contracts they must have confidence that the program is going to continue across the board and that there is a date when they can see the possibility of delivery. And, as long as we vacillate we shall be unable to do it.

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

Mr. ADAMS. I would like to yield to the gentleman from Minnesota but I have a limited time during which to make my presentation.

Mr. MacGREGOR. Mr. Chairman, will the gentleman yield for a question?

Mr. ADAMS. I yield to the gentleman from Minnesota for a question.

Mr. MacGREGOR. Since none of the 15 major free world airlines engaged in transatlantic passenger traffic does not have a single Russian aircraft, does the gentleman from Washington suggest that the free world is going to purchase the TU-144?

Mr. ADAMS. Perhaps not the free world airlines, but the great challenge in this field in the present world is in the future of developing such an aircraft that we shall have to sell to the entire world market which includes the non-aligned nations and the developing nations. This will be an even larger market in the 1970's and 1980's.

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

Mr. ADAMS. I yield to the distinguished gentleman from Virginia.

Mr. DOWNING. Mr. Chairman, I should like to invite the attention of all Members today to a provision in H.R. 11456, which if enacted will blunt the intent of the Congress to intensify this Nation's efforts in marine sciences when

it enacted the Marine Resources and Engineering Development Act of 1966. I refer specifically to the provisions which direct the Coast Guard to construct a high-endurance cutter in lieu of the oceanographic cutter requested in the President's budget.

In the report accompanying this bill, the committee expressed the opinion "that the Coast Guard should not be required to provide funds for major oceanographic equipment and activities in view of the fact that the Coast Guard itself is not a major user of oceanographic data." On the contrary, oceanography is extremely significant in the conduct of the Coast Guard's mission. Since 1914, the Coast Guard has collected oceanographic data necessary for its functions, and with passage of Public Law 87-396 has statutory responsibilities for such activities. To be sure, the volume of oceanographic information supplied by the Coast Guard is less than that of the Navy, for example. The information, however, collected during its normal ice patrols is a unique source of subpolar and polar data and is highly significant, not only to the U.S. Coast Guard in meeting U.S. treaty responsibilities for the International Ice Patrol but to other Federal agencies such as the Navy, the Environmental Science Services Administration, and to the merchant mariner, pilot, fisherman and scientist. For many years, the Coast Guard specialized in subpolar oceanographic studies and has accomplished more in these areas on a continuing basis than all of the other Federal agencies engaged in marine research and engineering. Information supplied by these studies has been invaluable.

To the U.S. merchant marine and mariners of other nations in the avoidance of icebergs and other hazards to navigation;

To the Navy in development and employment of an environmental prediction program for antisubmarine and undersea warfare;

To ESSA and formerly the U.S. Weather Bureau in studying the exchange of energy between the sea and atmosphere at high latitudes and its effect upon weather;

To industry in designing various naval systems to function effectively in subpolar regions;

To scientists investigating oceanographic frontal phenomena and the formation of the deep water of the Atlantic Ocean in connection with the general circulation of the oceans.

Mr. Chairman, the Coast Guard needs a new oceanographic ship to replace the obsolete ship *Evergreen* at this time. The Coast Guard attaches higher priority to a new oceanographic ship than to a second cutter which would cost \$2.5 million more than the oceanographic ship. This same sense of priority is recommended by the Department of Transportation, the Bureau of the Budget, the National Council on Marine Resources and Engineering Development, and the President.

Mr. Chairman, I share the committee's opinion that we not unknowingly duplicate research in the oceans. I am

also aware of the very great problems that arise because so many agencies have active statutory missions to work in the sea. Yet I believe that our actions in establishing a coordinating Council at a Cabinet level, chaired by the Vice President, is the most effective way possible to reduce the risk of overlap. This Council has been highly active since its inauguration last August. Its members who head the departments or independent agencies in Government dealing with marine sciences recommended to the President that the replacement for the Ice Patrol ship *Evergreen* proposed by the Coast Guard and already authorized, coincidentally be given a capability to carry out modern subpolar oceanographic research for all Government interests. No other ships of other agencies are so equipped.

I applaud such steps to implement our objectives in the Marine Sciences Act, and I believe the Congress would be contradicting its earlier intent if it did not support the President's request for this ship.

Mr. ADAMS. I thank the distinguished gentleman from Virginia for his contribution.

Mr. Chairman, many of my colleagues have spoken of the technical aspects relating to the SST program. They have also related to you the reasons why we should have this program. I would, at this time, like to speak of another social and economic reason for the U.S. House of Representatives to appropriate \$142,375,000 for the two prototype SST aircraft.

We have recently witnessed the efforts of our Government on behalf of the poverty program, the model cities program, and many other efforts to provide hope and thereby motivation for the people in our ghettos. Many of us have believed for a long time that direct governmental help in this effort is desirable, but it is not the only method. We must more deeply involve the private sector in this effort. The stimulation of our economy in the private sector will do more over a period of time to wipe out poverty, give men and women hope, and improve our educational system than the direct governmental programs. The Government programs should lift and stimulate our poverty-stricken people, so they can exist and obtain a stake in our society.

The SST appropriation is an appropriation which will have an impact on every State in the Union. The contracts and subcontracts reach into thousands of communities. The prototype program alone will directly produce 28,000 more jobs. If the program moves into the production phase, it will create over 60,000 new jobs. A factor of 4 to 1 is usually applied to the indirect jobs produced, which means the prototype phase alone will provide new jobs for over 100,000 people, and during the production phase, will reach over a quarter of a million people.

In situations as complex as this Government must act as a spark for private industry in the research and development phases. This program is an excellent example of our Government working with private industry to meet our social and economic goals. The investment of

the U.S. Government in this program is seed money which will be repaid and will have the effect of enabling private industry to proceed on a program it could not otherwise finance. This is not the trickle-down theory of jobs, but a direct application of creating new jobs in an evolving industry which should continue to expand during the next 25 years.

All of us have a stake in America and its institutions. These institutions must be made as important to the poor as to the affluent. A stake in society imparts to all of us an interest which makes our freedoms important and restrains our licenses. Our society is an interdependent society. Some may have a much larger economic stake. However, our goal is such that none of us should lose all interest in our institutions and goals. I would submit to you then, Mr. Chairman, that this SST appropriation is as vital to our economy and Nation as some of the more direct programs that attempt to alleviate the plight of the poor.

This program for the SST is predicated on one solid fact; namely, that the Government will be repaid its investment with interest if the program is successful. The manufacturers recognize the responsible portion of our Government investment in this program and the contracts have been prepared with this in mind. The manufacturers are to bear 10 percent of the allowable costs, up to the contract price, and 25 percent beyond. In addition, they have to pay all the unallowable cost, principally those for commercial sales and interest on borrowed money. The companies are required to capitalize all the new facilities required.

Mr. Chairman, let us look for a moment at the worst that might happen if we were to make the assumption that the program failed. What would the Government have lost? We would of course have lost the money appropriated. In the sum total of a \$144 billion budget, we could conceivably think of this program as an investment in talent, in jobs, and in engineering a program that if not successful immediately lays the groundwork for success and technological improvement of the aviation industry. At the very least we would maintain America's core of trained industrial technicians capable of developing new concepts and in a position to impart new knowledge to other segments of our society.

Mr. Chairman, you will note I have not directed my remarks as to whether we should be in competition with the British, French, and Russians because others have already covered this point. I believe we must meet this challenge. I have not, Mr. Chairman, in these remarks referred to the balance-of-payments benefits because this also has been discussed by others, but it seems obvious that a potential \$32 billion flow of funds from abroad will be very beneficial to the United States.

In conclusion, my colleagues, I want to emphasize again that this program is a part of the development of our economic future. We will produce jobs for our people. We will not abandon progress—we will move forward.

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

Mr. ADAMS. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I appreciate the remarks of the distinguished gentleman from Washington [Mr. ADAMS], particularly with reference to the matter of financing the SST. Let me say that the President's Advisory Committee on the SST, a committee composed of Cabinet officers and most distinguished citizens, included Mr. Stanley Osborne, a renowned investment banker, recommended that we proceed at this point to finance the SST in precisely the manner it is proposed to be financed under this bill.

Mr. ADAMS. I thank the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I yield 3 minutes to the gentleman from Washington [Mr. MEEDS].

Mr. MEEDS. Mr. Chairman, I wish to speak in support of the proposed \$142,375,000 appropriation for development of two prototype supersonic transport aircraft.

I speak not partisanly for the Boeing Aircraft Co. which is home based in my State of Washington but rather wholeheartedly in behalf of the United States of America. For, I am convinced, that the Nation will lose jobs, suffer by an increasing imbalance of payments, and forfeit its leadership in aircraft technology if the SST is not built.

Experts in and out of the Federal Government have indicated that the preponderance of evidence shows that the SST can be successful.

It can be a major step forward in air transportation.

It can earn a profit in sales and operation which will return to the Federal Government the total investment, plus interest.

It can mean substantial profits for private investors.

It can result in more and new jobs for American citizens.

It can cut the drain of American money abroad.

It can keep American aviation prestige and expertise a needle nose ahead of the rest of the world.

U.S. airlines and U.S. aircraft manufacturers are unable to go it alone on this gigantic task. But the faith airlines and manufacturers have in the project is clearly indicated by their willingness to share the investment risk.

The airlines already have pledged \$52 million in advance sales orders.

This desire to purchase and fly an American SST is in spite of the obvious fact that the British-French combine already is closer to putting its supersonic Concorde into the air. And the Russians also will have their TU-144 flying before our SST.

Critics of the SST have said it should be financed entirely by the private segment of our economy. They have suggested that there is no certainty that the SST even will fly if built. And they have argued that the problem of sonic boom will curtail the aircraft's flight speeds over populated areas.

I must answer these by saying that the proposed SST very definitely is within the present technical state of aircraft

knowledge. Military aircraft of similar materials, design and speed have been flying for some years.

And, after exhaustive study and research, our experts believe that the SST is economically feasible—it will pay its way to Federal and private investors—even if sonic boom difficulties do limit its overland flight speed.

Mr. Chairman, I firmly believe this Congress would be highly derelict in its duties if the \$142 million appropriation is not approved.

Mr. MINSHALL. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Ohio [Mr. Bow].

Mr. BOW. Mr. Chairman, since this bill has been so well discussed by the very able chairman of the committee, the gentleman from Massachusetts [Mr. BOLAND], and my distinguished friend, the gentleman from Ohio [Mr. MINSHALL], I shall not have much to say and I shall be brief.

The Department of Transportation is our newest Federal department and this is the first annual appropriation bill for transportation, as such. This also is the first year that we have had an Appropriations Transportation Subcommittee.

It is refreshing and most significant to note that the subcommittee has reduced appropriations requested in this bill from \$1.7 billion down to \$1.5 billion, or somewhat more than \$188 million. That \$188 million reduction represents a cut of 11 percent, which is, by far, the largest percentage cut made by the committee this year on appropriations for the Federal Establishment.

The old adage that a "new broom sweeps clean" certainly is evident with respect to this bill. I commend the chairman and members of his subcommittee for their efforts in this regard and express the hope that their success will be emulated or even surpassed with respect to the appropriation bills still to be acted on in this session.

Including the bill before us, the House has considered budget requests for fiscal 1968 totaling \$114 billion. From those requests the House has cut \$3 billion and has approved \$111 billion, or 97.3 percent of the aggregate amount requested by the administration in the 10 bills which we have acted on to date.

In anyone's ball game a batting average of .973 is proof positive that the team is playing heads-up ball and that is precisely what the administration has done this year in the appropriations league. Conversely, a batting average of .027 indisputably puts the House team in the second division. And, if it were not for the appropriations record now being established by the other body, the House would surely be in the cellar.

As bad as it is for the House to have posted such a record this year, what is even worse is the fact that down in the administration's bullpen the Departments and agencies are warming up with some exercises designed to determine what kind of a batting average the administration can chalk up in reserving the appropriated funds that Congress is providing this year.

The first public notice of this exercise appeared in the local press last week on July 12 when it was detailed that the ad-

ministration's team manager on June 28 had personally called for plans which would slash domestic spending by a whopping 15 percent across the board.

Of course, subsequent press stories denied that any such plans had been called for by the White House. Despite that denial, it is true that Departments and agencies are engaged in the exercises of determining what program changes would and could be made under varying spending reservations.

Now, Mr. Chairman, not once in all of the years I have been here advocating economy in Government have I ever thought of myself as a piker. But, when you compare my 5-percent limitation on Federal spending with the administration's 15-percent proposal, it is obvious that the effect of my amendment would be picayune indeed.

As I indicated earlier, the bill before us has been cut by 11 percent—the largest percentage cut made this year by the House on an appropriation bill for the executive branch. However, I am wondering now if it would not be the better part of wisdom for the House to cut another 4 percent rather than let the administration do the job for us. Every time the Bow expenditure limitation amendment has been offered here in the House, cries of anguish and outrage have risen from some of those members on the other side of the aisle—that to adopt the limitation would be to shirk our responsibility and abrogate our authority.

Nothing could be further from the truth because, except for spending demanded by statute, the President has always had the authority to spend or not to spend the funds which Congress appropriates to the executive branch. And my amendment would only put some statutory muscle into any resolve to cut spending which the President might entertain from time to time.

Where, Mr. Chairman, did the cries of anguish and outrage come from last week when the 15 percent order was publicized—certainly not from the Halls of Congress. They did, however, spring from the throats of downtown bureaucrats who, with horror in their eyes, saw their minor league teams being sold out—not by Congress but by their own majors.

Some of you may wonder what these executive branch exercises on spending reservations portend. Let me make a suggestion. Toward the end of this month the administration is committed to furnish the Joint Economic Committee with a midsession review of the budget and the Federal fiscal situation. We are faced with a 1968 budget deficit of between \$20 and \$30 billion. Even though I have seen no conclusive evidence, it has been reported that the economy is trending upward. Trial balloons have been launched to test the mood of Congress and the public toward the imposition of a so-called war tax at a rate even heavier than the 6-percent surtax proposed by the President in his January budget. So, from these facts I can only conclude that we may very shortly expect major pronouncements on anticipated cutbacks in nonwar spending and a request for increased taxes.

When it comes to pass that the spend-

ing reservations are announced and the tax increase is requested, it still will not be too late for Congress to get back in the ball game with some statutory limitations on the spending of funds which we have appropriated. We certainly had better do so because we have had some experience with executive branch spending reservations and we all know they do not always materialize as planned. As recent as last November 29 the President announced his approval of Cabinet recommendations for a budgetary cutback of \$5.3 billion in Federal programs which was expected to save \$3 billion in fiscal 1967 spending. To date, we do not know the final outcome of that exercise but we do know that, very soon after the cutback was announced, decisions were made to release for spending some of the funds included in the reservation. Moreover, earlier last year a freeze was imposed on the hiring of additional Federal personnel. Probably no Executive order has ever been more widely broached than has the personnel freeze order. With literally thousands of Federal bureaucrats lobbying the next in command on behalf of their favorite spending programs, how, I ask, can we ever effectively cut nonessential spending except through the device of a statutory limitation.

Certainly, the time is long since passed for Congress to have begun playing heads-up ball. If we do not want to be outplayed, we had better start now to be the major league team which was envisioned for us in our franchise—the Constitution of the United States.

Mr. Chairman, I do not know at this time what the motion to recommit will be. I think it might be well, however, if we met the Presidential edict with a cut in the bill of about 15 percent. Because of the excellent work that has been done by this subcommittee, that would mean an expenditure limitation of 4 percent instead of the usual Bow amendment of 5 percent. In that way we might be helping the President in his effort to reduce spending by 15 percent in nondefense areas.

Mr. McFALL. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. ADDABBO].

Mr. ADDABBO. Mr. Chairman, I rise to first compliment the gentleman from Massachusetts [Mr. BOLAND], chairman of the Department of Transportation Subcommittee of the Appropriations Committee, and his fellow members of the subcommittee, and the staff, on an outstanding report and bill. My only regret is that, under the Federal Aviation Administration and related agencies, more was not set forth in the field of noise abatement. But there is under this bill additional moneys for the further development of the supersonic transport, the SST. In the hearings of the subcommittee there are many pages of testimony relative to the serious problem of sonic booms, but only several lines as to the question of subsonic jet noise and its effect on those living near airports. It is stated in the hearing on page 37 by Secretary Boyd that the SST will operate with less noise over inhabited areas. I have subsequently received a detailed re-

port on SST noise to further try to prove that the SST will operate at a quieter level than the present large jets and I quote from that report:

The SST contract includes design objectives that place limitations on aircraft noise. The objectives as stated in the contract are as follows: a. A maximum of 116 PNdB* at a distance of 1,500 feet on either side of the runway center line during takeoff. b. A maximum of 93 PNdB* at a point on the ground under the aircraft flight path at a distance of three miles from the beginning of takeoff roll. c. A maximum of 109 PNdB* at a point under the flight path one mile before landing. (*PNdB means "perceived noise in decibels" and is a measure of the physiological reaction of a human listener.)

Note that the SST will greatly extend the side line noise on the airport, but that because it climbs rapidly it does not "drag" its noise over the community as does today's 707. Similarly, the 100 PNdB noise limits for landing will not extend as far into the community for the SST as it does for today's jets.

The great amount of noise from the SST during takeoff roll, as indicated by the width of the 100 PNdB contour is due to the large thrust of the SST engines. The SST will have a total maximum thrust available of approximately 268,000 pounds as compared to 67,200 pounds of thrust on today's 707-320B. This large amount of thrust on the SST is needed because of supersonic operation.

Both Boeing and G.E. are vigorously working to reduce the engine noise of the SST. Specific configurations that have demonstrated 8 to 10 PNdB reduction in test conditions are planned to be incorporated in the prototype aircraft. A continuing program of research on more advanced ideas is underway, however, it is not certain that techniques which afford large reductions can be reduced to a practical design that can be incorporated into a commercial airplane. In addition to the efforts of the manufacturers, there is a substantive effort underway at NASA. The SST program will take full advantage of any techniques or knowledge available.

The manufacturers are estimating that \$1½ million will be applied directly to noise reduction. In addition, other related projects will contribute to this effort.

Consideration of noise is a significant factor in the design of various equipments. For instance in the design of the engine exhaust one must consider the efficiency of the nozzle as well as the application of noise suppression and deceleration devices. Thus, it is not possible to identify what per cent effort involved in nozzle design is applicable to noise reduction.

Mr. Chairman, Kennedy International Airport is within my congressional district. At the present time there is a plane landing or taking off at the rate of one every 30 seconds—yes, every 30 seconds.

Needless to say, the tens of thousands of people in my district within the landing patterns are in almost a constant state of some form of noise shock—missing the pleasures of television—telephone conversation—ordinary daily conversation, and, most important, education and a quiet night's sleep.

Mr. Chairman, the noise in decibels as set forth in the aforementioned SST report will not be less—yes, it may give some relief to those further from the landing touchdown or takeoff lift, but those others presently affected will be more affected. Scientific studies have shown any noise decibel over 80 is regarded as annoying to the human ear.

Mr. Chairman, NASA has recently awarded a \$450,000 contract to the

Pratt & Whitney Co. for an initial study for a quiet turbofan engine and Congress has appropriated \$2 million for next year's phase, and this is for a jet engine of 25,000-pound thrust with a decibel level at landing and takeoff of 112 which it is hoped to be reduced to 85 decibels, and, Mr. Chairman, the SST engine has a thrust of 268,000 pounds.

Mr. Chairman, before the final moneys are appropriated for the SST and/or its final certification, for the safety of all and the health and the personal rights of those living near airports, I believe the following program must be enacted. First, my bill, H.R. 5240, giving the Federal Aviation Agency the power to authorize aircraft noise abatement regulation, and for other purposes; second, provide for additional airports away from inhabited areas—for all. Kennedy International Airport, as all major airports, is operating at or over capacity; third, a crash program for a solution to a quieter engine. Mr. Chairman, all of these things must be done before these monsters of the sky can be certified. People and their rights to peace and safety in their homes must not be sacrificed to progress.

Mr. McFALL. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. JOELSON].

Mr. JOELSON. Mr. Chairman, I take this time to call the attention of my colleagues to pages 501 through 516 of the subcommittee hearings with reference to the Eisenhower lock on the St. Lawrence Seaway.

It is developed in these hearings that in 1955 when this lock was built, it was constructed 75 percent of portland cement and 25 percent of natural cement. On this decision, the Government saved \$67,000.

The only trouble is that the lock is now deteriorating and the testimony is that it will cost \$13 million to repair it. So we have the false economy of a \$67,000 saving resulting today in a \$13 million expenditure.

On the Canadian side where entirely portland cement was used, there has been no difficulty and no repairs are needed.

This involves \$13 million and there is fault here somewhere. I do not think it is the contractor, but it may be. I think that this must be aired and investigated because either the contractor is at fault or somebody in the Government blundered and saved \$67,000 to ultimately cost the people of this country \$13 million. If this is the kind of economy we are going to have, it will be economy that leads us to bankruptcy.

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

Mr. JOELSON. I yield to the gentleman.

Mr. YATES. The gentleman knows that there is no appropriation in this bill for that purpose.

Mr. JOELSON. I know that there is no appropriation but I do know that the money will have to come from somewhere to make the repairs; is that not true?

Mr. YATES. As of this time there is no authorization and it is expected, according to some sources, that it may have

to come out of the Corporation's bonding power rather than through an appropriation.

Mr. JOELSON. But the money will have to be raised; will it not?

Mr. YATES. Yes.

Mr. McFALL. Mr. Chairman, I yield 9 minutes to the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Chairman, this bill funds our Nation's aviation accident investigation operations for the coming year, under the National Transportation Safety Board of the new Department of Transportation.

This board is doing an excellent job, and I am frankly sorry to see that with our pressing need to cut on nondefense spending we have not been able to meet their full budget request. I make no criticism of them, or of the FAA or of the Department of Transportation. I want to make this very clear at this point.

I take this time, Mr. Chairman, to bring to the attention of the House a disturbing development which I believe could seriously affect the responsibilities which this Congress very properly exercises in the field of aviation policy in general and airline safety and accident investigation in particular.

Here are the facts. Last June 23 a Mohawk BAC-111 jet aircraft bound from New York State to Washington crashed over northern Pennsylvania with the loss of 34 lives. This is a route which my family and I have flown many times, and in the same type aircraft. Many of my constituents fly Mohawk regularly, since it serves much of upstate New York on a virtual monopoly basis. Seven of the 34 persons killed in the June 23 crash either lived or worked in my congressional district.

The BAC-111 is a new aircraft which has operated in this country less than 2 years. It is a British-built, twin, short-haul, fanjet aircraft with engines in the rear. Mohawk operates some 10 of these planes, a major part of their overall fleet. Only one previous operational crash of a BAC-111 has occurred in this country, over Nebraska last year. The final NTSB report on that crash has not been made, but the tail of that plane came off in midflight, apparently as the result of heavy turbulence.

Early reports of the June 23 Mohawk crash indicated a very disturbing parallel with the Nebraska crash: the tail section of the Mohawk plane had also come off in the air, and storms and showers were reported in the general vicinity at the time. A few hours after the crash the president of Mohawk Airlines, Mr. Robert Peach, publicly raised the possibility of sabotage, and wired the FBI demanding an immediate investigation. By Sunday morning, June 25, however, press accounts from the crash scene made it clear that the investigative team had uncovered absolutely no evidence of sabotage, and it has still uncovered none today.

With the sabotage theory apparently disposed of, I sent a wire to FAA Administrator General McKee on the morning of June 25 pointing out the parallels between the Mohawk and Braniff crashes, and suggesting that some re-

strictions, some slowing down, be placed on BAC-111 operations in suspected areas of turbulence until further tests could be made to determine the structural soundness of the tail of the new aircraft.

Within hours Mr. Peach made a very intemperate and distorted personal attack on me for having offered any such suggestion, claiming I was not qualified to judge "a highly technical matter such as this."

I dismissed his intemperate personal attack as a result of strain, although I could not help but recall that in other days when it came to enlisting help to get approval for new route applications, Mr. Peach had never seemed to feel that Members of Congress were unqualified to make recommendations to Government agencies on that technical matter.

One week later on July 3 I was subjected to a second distorted, unwarranted personal attack, this time by *Aviation Daily*, the trade sheet of the aviation industry. They charged that my comments had "impeded the serious work of investigating the crash" and bore out their contention that "every disaster is followed by the appearance of an instant expert—usually a politician up for reelection—to tell the world exactly how that disaster could have been prevented."

Aviation Daily's basic charge boiled down to the accusation that I had not known on June 25 the information which the Mohawk crash investigation had developed as of June 27, when their reporter questioned me. By that time the investigators had established that turbulence was not a feature in the Mohawk crash. Instead fire in the plane's tail section was discovered, but its origin remains a mystery even today. Moreover *Aviation Daily* faulted me because I did not know the conclusions and findings of an NTSB report on the Nebraska crash which, as already observed, has not even been completed or published as yet.

Now, Mr. Chairman, I bring these two intemperate and distorted personal attacks, one by the president of an airline, the other by the trade sheet of the aviation industry, to the attention of this House today as we consider funds for air accident investigations, not because of my own concern, but because I am convinced they represent a disturbing pattern which can have only one real purpose, and that is to frighten Members of Congress, all of whom bear a broad responsibility for aviation safety and air accident investigations, from making any comments or suggestions regarding this particular Mohawk crash, or indeed any airplane crash.

In fact, judging from the similarly distorted and intemperate nature of the two attacks, one wonders whether there may not have been some actual collusion between Mr. Peach and the publisher of *Aviation Daily* in these attacks.

I would certainly not pretend that we in Congress are experts in the field of aviation safety. But, as this legislation today underlines, we most certainly do have a genuine responsibility in this field and a genuine obligation to ask questions and to make suggestions.

So any attempt to intimidate Members

of Congress from exercising their proper constitutional responsibilities in this important area can only impair the successful operation of free, popular government.

Actually, Congress has very extensive responsibilities in the field of aviation. We provide substantial subsidies for many airlines, including Mohawk. In fiscal 1967 Mohawk received a total of \$3,778,000 in Federal subsidies from the American taxpayers. We provide funds for aviation safety and traffic control measures, and airport construction. We provide much airline revenue in airmail contracts and personnel and cargo shipments to Vietnam. Elsewhere in this very same bill we are even being asked to appropriate more than \$142 million for building a supersonic transport aircraft.

Of course, one would hope that, when Members of Congress make suggestions and offer comments in this important area, those proposals would be 100-percent perfect. But this is an imperfect world after all, and not even Members of Congress, not even airline presidents, can be 100-percent right 100 percent of the time. If Members of Congress were forbidden to speak out until they could be sure in advance that their suggestions would prove to be 100-percent accurate, I fear representative government would grind quickly to a halt.

In fact, if being 100-percent right 100 percent of the time is the test *Aviation Daily* would impose on Members of Congress in discussing matters of aviation safety, then why have they so completely ignored Mr. Peach's own highly publicized charges of sabotage in the Mohawk crash? The investigation has not supported his suggestion. Did Mr. Peach therefore hamper the investigation by his public charges? Or were they perhaps designed to focus public attention away from something else?

Mr. Chairman, the truth is that airline safety is not the private preserve of the airline industry or of its unofficial mouthpieces, nor even of the so-called experts, any more than questions of military policy or foreign policy or atomic energy are the private preserve of special coterie of experts or aficionados.

Like military policy and atomic energy matters, airline safety is too important to be left to the experts alone. It is the responsibility of all the people in our form of government and of their elected representatives. And the sooner high-riding company executives and self-righteous industry mouthpieces learn that simple truth the better for all concerned.

I do not intend to be silenced or intimidated by these intemperate personal attacks leveled against me, Mr. Chairman, and I am sure no other Member of this House will be intimidated either. Surely the day has not yet come when an elected official dare not speak out on matters of airline safety until his remarks have first been cleared with the appropriate airline president or the publisher of the appropriate trade sheet.

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

Mr. STRATTON. I am glad to yield to the gentleman from Iowa.

Mr. KYL. I am worrying about the other side of the coin of which the gentleman speaks. Obviously there are safety factors involved in regard to all of the jets flying into National Airport. I hope that no Member of Congress will ask that this practice be continued, that these planes be kept at National rather than at Dulles or Friendship, merely as a matter of convenience, when safety is involved.

Mr. STRATTON. The gentleman raises a point I have not covered.

The CHAIRMAN. The time of the gentleman from New York has expired. Mr. MINSHALL. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. SCHADEBERG].

Mr. SCHADEBERG. Mr. Chairman, I rise in support of this bill and commend the committee for a very fine job, but I take this opportunity to apprise my colleagues in this body of some of the ramifications of the appropriations for the U.S. Coast Guard which are contained in the bill under consideration at this time, H.R. 11456. I spoke at some length during the debate on the authorization of Coast Guard funds earlier this year and I want now to reinforce what I said at that time.

My particular concern is the scheduled closing of the Coast Guard station at Racine, Wis., the largest city in my district and the second largest port in the State.

It is not until we are faced with losing something valuable that we realize how much it is worth to us—and that certainly is true of the Racine Coast Guard station. It has served us well—quietly but faithfully. It is "always there," responding to calls for assistance and cries of alarm, ready to rescue sailors and boaters in storms, high winds, and fog, on the scene within minutes of a collision, a serious spill, or an overturned boat. Countless Racine residents and visitors can thank the Coast Guard for their help; many, many more participate in water sports such as boating, sailing, and fishing with great peace of mind, knowing that the Coast Guard is within shouting distance.

Yes, we have taken this sturdy, faithful unit for granted. No, we have not given them that "pat on the back" that all of us need once in a while for a job well done. But now, faced with losing them altogether, we are critically aware of how much we need them. Space will not permit the printing of the many letters I have received from Racine friends, attesting to their own knowledge of the Coast Guard's efficiency and dependability. My correspondence has also included petitions from individuals and groups, resolutions of private and public organizations, and expressions of support from city, county, and State legislators—each and every one urging the retention of the Coast Guard station at Racine.

I have met with Coast Guard spokesmen and I have corresponded with the Commandant as well as with the Secretary of Transportation to this end. The explanation offered to me is that economic considerations will not permit retention of the small station at Racine.

when larger units with helicopters will be located within half an hour to an hour's distance away. As Secretary Boyd wrote me, and I quote, "economic considerations dictate that we must accept a time delay in arrival on scene." Must we accept a time delay when lives are at stake? Must economic considerations take precedence over safety? The Racine coastguardsmen can now get to a boat in trouble within about 5 minutes. Will a motorboat operator in distress be able to hold on for half an hour, perhaps an hour, until a Milwaukee or Chicago helicopter reaches him? Secretary Boyd says that he will have to—or go under.

May this RECORD show that I will support these appropriations today. Next year, however, if action has not been taken to continue the Racine Coast Guard Station in operation. I will vigorously oppose the 1969 appropriations. And I will not fight alone. I will urge my colleagues on both sides of the aisle to join me in assuring protection at all times for all watercraft on Lake Michigan.

Mr. MINSHALL. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. ROBISON].

Mr. ROBISON. Mr. Chairman, quite some discussion has been had here throughout this afternoon about the supersonic transport development program—the SST program—and, certainly, as the report indicates, there are uncertainties enough in that program, uncertainties involving the construction of the aircraft, uncertainties involving the economic feasibility of the aircraft, uncertainties as to the effect on the ground of its sonic boom which will be created by the SST in flight, all in all uncertainties sufficient to cause reservations concerning this program on the part of any Member of this body.

Mr. Chairman, I have shared those reservations, and, to a certain extent, I still do. Yet it does seem to me that the impression has been left here this afternoon, unintentionally I am sure, that some of the risks involved in this program, or most of the risks involved in the program, or even all of the risks involved in the program, are to be carried by the taxpayers of the United States of America.

Mr. Chairman, as I read the hearings of the subcommittee—which, incidentally, I feel did a remarkably good job here—it is quite obvious to me that the arrangement that has been worked out between the manufacturers and the Government involves a substantial risk acceptance on the part of the manufacturers.

Also, Mr. Chairman, if some member of the subcommittee will give me his attention, there is also a considerable assumption of risk on the part of the airlines which potentially may be considered as purchasers of this aircraft.

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

Mr. ROBISON. I prefer to yield at this time to a member of the subcommittee.

Mr. MINSHALL. Will the gentleman yield?

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

Mr. MINSHALL. I am glad that the gentleman from New York has brought this point out.

I quote from a summary of the contract clauses which have to do with the recovery of Government expenditures. These clauses give the Government the right to impose a royalty on all SST sales made by the manufacturer of all products that result from work funded by SST Government appropriations. The contracts define the method and the timing of royalty payments to the Government. A summary of the contract provisions is as follows:

Royalty provisions in the G.E. and Boeing phase III contracts—

Are designed to recover all of the moneys appropriated by the Congress to the FAA for the SST program and to do so at the sale of the 300th airplane.

Are designed to provide additional return to the Government on sales beyond 300; and Are based on economic studies that estimate the market to be:

Five hundred sales by 1990, for intercontinental, over-water air routes only.

Twelve hundred sales by 1990, if worldwide operation turns out to be permissible with sonic booms.

That is exactly what the contract provides.

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

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

Mr. YATES. I would like to supplement what the gentleman from Ohio has been saying in this development phase of the SST to the effect that there would be a contribution by the contractors of \$288 million.

Mr. ROBISON. That contribution is being made right now.

Mr. YATES. Mr. Chairman, if the gentleman will yield further, they are making this contribution toward the \$1.2 billion that is the estimated cost for the development phase. In addition, \$52 million has been put up by various airline companies themselves who have placed orders for the SST.

Mr. ROBISON. Right.

Mr. MacGREGOR. Mr. Chairman, would the gentleman yield not for argument, but merely for the presentation of figures?

Mr. ROBISON. Yes, I shall be happy to yield to the gentleman from Minnesota.

Mr. MacGREGOR. Through phase III the committee report indicates that 88 percent of the initial financing and support will be supplied by the American taxpayers and that between 4 and 6 percent return will be had on the Government money expended.

Mr. ROBISON. Through the initial phases.

Mr. MacGREGOR. Through phase III.

Mr. ROBISON. Yes; and I am happy to yield further to the gentleman from Minnesota if the gentleman can answer as to whether it is not true—though there are a lot of "ifs" in this situation—that the taxpayers' money would be returned to the Government and even, perhaps, with some interest, under the proposed contract if the SST is a success?

Mr. MacGREGOR. Mr. Chairman, if

the gentleman will yield further, it is contemplated under the contracts providing for the sale of 300 commercial SST's that the raw dollars that the taxpayers would ladle out would be returned at the rate of somewhere between 4 and 6 percent on the Government money, to be realized at the 500th SST sale.

Mr. ROBISON. The gentleman from Minnesota, I might say, made a very persuasive argument concerning the alternative of private financing, something which I have quite honestly been very interested in. On the other hand, I believe his final point was that that was the only way, or the best way, perhaps the gentleman meant, by which the taxpayers' investment in this could be avoided. So it did seem to me it is necessary to bring out that under the present fiscal arrangement, if it works out, the taxpayers' investment would be repaid in full.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MINSHALL. Mr. Chairman, I yield the gentleman 2 additional minutes.

The CHAIRMAN. The gentleman from New York is recognized for 2 additional minutes.

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

Mr. ROBISON. I yield to the gentleman from North Carolina.

Mr. JONAS. Mr. Chairman, there is another aspect of this recoupment problem that worries me. I have reference now to certain questions rising out of an article by George Lardner, Jr., who, writing in the Washington Post on June 11, 1967, charges that the contract with Boeing is so written that no royalties would have to be paid until Boeing sells its 101st plane and that the specifications are so restrictive that Boeing would avoid royalty payments if a faster, or more advanced plane is produced—growing out of the research and development our taxpayers have paid for in this program already.

I just wonder if someone would comment on that charge. For example, Mr. Lardner charges that Boeing's royalties are tied to the definition of an SST air frame whose speed is limited to 2,050 miles an hour, mach 3.1. He contends that if a plane is developed to exceed that speed, we are precluded under the contract from any royalties on the improved planes. This would present quite a different picture than the one I had understood existed.

Mr. ROBISON. I would say to the gentleman that I will have to yield to someone else who is more knowledgeable than I to answer his question.

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

Mr. ROBISON. Yes, I yield.

Mr. JONAS. I do not expect the gentleman to answer that question, but I would hope someone in the course of the debate, and by the time we come to the amendment stage, would have a satisfactory answer to these charges that have received widespread publicity and should be answered.

Mr. ROBISON. I thank the gentleman.

The CHAIRMAN. The time of the gen-

tleman from New York has again expressed.

Mr. BOLAND. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Chairman, we are faced in fiscal 1968 with a budget deficit that may be more than \$20 billion. There are times when large budget deficits may be necessary, but this is not one of them. To add large sums to the national debt at high interest rates burdens taxpayers, who are already faced with a \$14 billion interest charge on the national debt. Even more important, the necessary Treasury borrowing inevitably will cause tighter money. And we only have to remember last summer's experience to recall the damaging effects this had on homebuilding, on borrowing by State and local governments, and on small business.

So the immediate task is to reduce the prospective budget deficit, and do so in ways that do the least damage to the total consumer and capital investment demand needed to keep our economy moving forward.

Plugging tax loopholes in a way that will raise revenues the most and reduce demand the least is one method. I hope that we shall be getting to it shortly.

Another method is by cutting the budget in ways that affect only marginal items of the national interest, and do so in ways that operate on demand where it appears to be excessive.

The \$142 million items for the supersonic transport is thus a prime candidate for postponement.

I am not asserting that a research and development program for a SST is doomed to failure. Perhaps the problems of sonic boom, of titanium material, and of variable sweep wing construction, can be resolved.

What I am asserting is that the benefits to be accomplished by the SST are marginal indeed. VIP's can now travel from Washington to London in a little over 6 hours. The Concorde plane, to be operational in 3 years, will reduce this time to 3 hours, 25 minutes. The SST would reduce it to 2 hours, 45 minutes. Much of this time would be lost in travel to and from farther-out airports, and in taking meals on the ground rather than in the air.

Look at the cuts we have already made in our programs to help people. The model cities appropriation request has been reduced from \$662 million to \$237 million. The administration has requested only \$1.7 billion of the \$3.4 billion authorized in the Elementary and Secondary Education Act, and only \$200 million of the \$450 million for sewage treatment plants authorized in the Clean Rivers Restoration Act.

Under my set of values, the convenience of a few VIP's in getting to their destination a few minutes faster is less a national priority than any of these.

Postponing the SST will reduce pressure where it is at its most inflationary—in the limited supply of scientists, engineers, and technicians who are already at work on the defense and space programs.

It is said that the United States needs

the SST for prestige. Prestige, I say, comes to that nation which best demonstrates its dedication to the happiness of its people—in their health, their education, and their environment. Let us attend to the great priorities of national need, even if it means that VIP's will take a little longer to cross the oceans.

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

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

Mr. MACGREGOR. Mr. Chairman, I commend the gentleman on his remarks. If anyone could guarantee the sale of up to 500 SST's, it might result in a fair break for the taxpayers and could thus be justified under the economic conditions that the gentleman mentioned.

I think this Committee would like to know how many 707's and DC-8's have been sold.

The Civil Aeronautics Board advised me just after lunch today that as of today the total number of 707's sold and delivered was 246 and the total number of DC-8's sold and delivered was 149. The 707's and the DC-8's are tremendously popular throughout the world and yet only 395 have been delivered in 8 years. I ask, Is it realistic to expect that 500 SST's will be sold?

Mr. REUSS. I think the gentleman has correctly pointed out a possibly inflated expectation of sales.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MINSHALL. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Chairman, I intended to refer to the SST matter later on in my comments, but since the last two speakers have dealt with that subject, I think I shall say what I intended to say at this point.

There is a phase of this subject that has not been discussed. Even those who would propose the amendment argue that we must go ahead with the SST and are concerned only with the method of financing.

Of course, we considered the question of financing rather carefully in the committee, and it was agreed by General McKee and other witnesses that public financing might be appropriate or certainly worthy of consideration when the development stage has passed.

It was pointed out in the discussion of public financing that has been proposed that the Government does not escape liability but would have to guarantee payment of the bonds. It is a contingent liability but nevertheless a liability. I do not know any way that the Government can sponsor the development of these planes without either putting up a good part of the money or without guaranteeing the repayment of any bonds that might be sold to the public.

It was also pointed out that in a public finance program there would be no opportunity to require airplane manufacturers or airlines to contribute to the cost, and this ultimately would or could cost the taxpayers more money than to proceed under the present plan. At least those were the arguments advanced in the committee and were among the rea-

sons that the committee was not disposed to defer action or to undertake to try to impose a public financing program on the Department. It is my hope that the Legislative Committee will promptly conduct hearings on the bills now pending to convert this program from taxpayer financing to public financing.

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

Mr. JONAS. I yield to the gentleman from California.

Mr. MCFALL. A few moments ago the gentleman posed a question relating to a mach 3.1 vehicle and contract provisions relating to such a vehicle. The upper end of the speed range of mach 3.1 also assures that we would collect royalties on future models that might have speed improvements, but one must bear in mind that small increases in speed produce large increases in temperature. In fact, to increase from mach 2.7 to mach 3.1 would entail an increase of 150° Fahrenheit and, perhaps more importantly, it goes from 450° to 600°. Such an increase would require a major redesign of the airplane.

From that I would draw the conclusion that the people who wrote the contract feel that they have the same airplane in which we are investing the Government's money and private money up to a speed range of mach 3.1 and over that speed range, because of design changes, it would be a different airplane.

Mr. JONAS. And therefore because of that royalties would not be paid on the higher speed plane?

Mr. MCFALL. I gather that is true from the information that we have in the committee.

Mr. JONAS. I think that is true. I wonder why a different contract was made with General Electric, which is, of course, developing the engine.

Mr. MCFALL. It goes on and says that this will be a completely different airplane, requiring a major development effort that is currently beyond the state of the art of transport aircraft. I am not sure that I can answer the gentleman's question, but I would assume that the contract with General Electric, which is for engines and not for airframe, as is the Boeing contract, the engines would have some utilization in any future airplane; any airplane or any engine developed by General Electric could be different than the one for the airframe, which would be limited by the speed and by the heat of that airplane.

Mr. JONAS. I thank the gentleman from California.

There is one other point that I wanted to make which has not been brought out in the discussion, and that is that the SST will have a limited cruising range of only about 4,000 miles. It will have a seating capacity of about 300.

Mr. YATES. It is 350.

Mr. JONAS. Well, 350. The jumbo jet would have a seating capacity of 400 to 1,000 and a cruising range of 6,000 miles. You will not be able to fly the SST from Chicago to London or from San Francisco to Tokyo without landing to refuel.

So I think this pretty nearly answers the sonic boom argument. They are not planning to fly this plane from the west

coast across the United States to London, Paris or Brussels, nor from New York, Chicago, or St. Louis to Tokyo because it will not fly that far without refueling. It will not even fly from our east coast cities to Rome without an intervening stop, nor will it fly from the west coast to Tokyo without refueling.

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

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

Mr. MINSHALL. For the record, as presently contemplated, the plane would hold 280 passengers.

Mr. JONAS. That is what I thought: 280 and something.

Mr. MINSHALL. That is a "ball park" figure.

Mr. JONAS. Around 300.

Mr. MINSHALL. But it could fly from New York to Paris nonstop, and from New York to Leopoldville, with one stop at Dakar.

It can fly New York to Rio de Janeiro with one stop. It can fly to Saigon, which now takes over 17 hours, with two stops, one at Anchorage and one at Tokyo, in 7 hours and 40 minutes.

Mr. JONAS. That is true. But it cannot even fly to Tokyo without stopping in Hawaii to refuel. It will not do what many people think it will do; that is, fly around the world in a few hours.

Mr. MINSHALL. It cuts the present time to practically one-third.

Mr. JONAS. That is true. The only thing you can say for this plane is that it is speedy. It is very limited in its seating capacity, and in the number of passengers it can carry. It is limited in its range. We have other planes with far greater carrying capacity. The passenger capacity for the jumbo jet for example, is greater, and it has far greater range than the SST. I do not really know whether this plane is such a good bargain at \$4.5 billion.

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

Mr. JONAS. I yield to the gentleman from Minnesota.

Mr. MACGREGOR. Mr. Chairman, many of the economic studies about the proposed sales of the SST's were made before we had any idea how well the jumbo jet would sell. The Civil Aeronautics advises me today that 60 orders have been placed with Boeing for the 707 jumbo jet. Surely there will be a great many additional sales that will cut into the SST sales projections.

Mr. JONAS. The airlines seem to think the SST is a good bargain because they keep putting up \$1 million apiece to stand in line for the planes.

I am not an expert in this field. As a layman and one who is a nonexpert, I just wonder whether it is worth \$4.5 billion to develop a plane that will not carry more than 300 people and cannot cruise more than 4,000 miles without landing, when we have other planes that have far greater capacity than that.

There was one other subject I wanted to discuss, though, and that is the duplication that exists between this department and the Department of Housing and Urban Development in the field of mass transportation. The committee rec-

ognized that, and I invite the attention of those who are interested to a very interesting comment by the committee on page 5, which I would like to quote:

The Committee has made several reductions in programs in transportation research related specifically to urban problems because of the Department of Housing and Urban Development's activities in this area. Not all such funds were deleted since the Committee does not wish to prevent the Department of Transportation from having the opportunity of competing for jurisdiction over urban transportation activities.

Now, I am not quite satisfied that it is worth \$10 million just to give this Department the opportunity of competing with HUD to see which Department is going to have jurisdiction in the field of mass transportation.

We have recently passed through this body a bill, the independent offices appropriation bill, which appropriated \$175 million to HUD for mass transportation. I have in my hand some information from HUD indicating a fabulous amount of grants for demonstration projects, for the purchase of equipment, for research and development in high-speed transportation activities. Then we come along in this bill, because they have not resolved the question downtown of whether mass transportation will in the future be under the jurisdiction of the Department of Housing and Urban Development or the Department of Transportation, and we are compounding the injury by giving them both large sums of money to do the same things in the field of transportation.

We reduced this item by \$8,300,000. But there is still \$10.3 million in this bill for research in mass transportation activities. There is an additional \$5.9 million in the Office of the Secretary for transportation research.

As I have said, HUD was recently given \$175 million for mass transportation activities, most of which is for grants, of course, but \$10 million is for research.

I wish we could have found some way to resolve this tug of war which is going on now between HUD and DOT to find out, before we make more appropriations, which Department is going to have jurisdiction in this field.

The committee made another comment in which I concur, I invite attention to it because it expresses my feeling exactly.

I quote from page 7 of the report:

Duplication in research and development is wasteful not only of money but of the valuable time of qualified researchers. Since by the very nature of research and development it is impossible to predict accurately the benefits to be achieved, this is an extremely difficult management area. It is also an area of high costs.

Many of the requests for funds for research which have been made of the Committee thus far have been supported by scanty justifications. Too often, it appears that the contract research programs especially will be formulated only after appropriations are enacted.

I believe we have a good bill. I believe it could have been cut more. I personally favor deeper cuts, but those who have served on appropriations subcommittees know that one person cannot al-

ways have his way. We have to resolve these issues on the basis of compromise.

However, it is worth noting again that the cuts made by the committee amount to approximately 11 percent. The aggregate cuts amount to \$188 million—a substantial one. While I took some reservations and still reserve the right to vote for some additional cuts on amendments that will be offered in the Committee of the Whole this afternoon, on the whole I believe the bill is a sound one and worthy of support.

Mr. BOLAND. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. CLARK].

Mr. CLARK. Mr. Chairman, to begin with I want to congratulate the gentleman from Massachusetts [Mr. BOLAND] for an outstanding job on this new subcommittee, on which he serves as chairman. He is a most dedicated and a most hard working man in the Congress.

Mr. Chairman, when the Committee on Merchant Marine and Fisheries reported H.R. 5424, the Coast Guard authorization bill for fiscal 1968, to the House on March 21, 1967, it not only included the one high-endurance cutter, and one oceanographic cutter, but also four additional high-endurance cutters.

For several years, our committee has been deeply concerned about the deteriorating condition of the Coast Guard's high-endurance cutter fleet, which is so essential in connection with ocean station work, law enforcement, search and rescue, and patrol work when operating with the Navy in times of emergency.

I am sure the Appropriations Committee recognized these needs for accelerated replacement of the high-endurance cutter fleet, just as we did.

However, I am not sure that they understand the vital role that the Coast Guard plays in oceanography.

The Coast Guard historically has been the leading agency in the collection of necessary oceanographic data in the arctic and subarctic regions. Under international treaty since 1914, the Coast Guard has been carrying a large portion of the burden of the International Ice Patrol in the North Atlantic, which was created following the *Titanic* disaster in 1912.

Presently, they are functioning with a 23-year-old converted 180-foot buoy tender. It is something of a makeshift, not having been designed for oceanographic work in the first place, and is far from adequate to use efficiently today's sophisticated oceanographic technology.

The oceanographic cutter contained in the budget request was to replace the obsolete vessel, the *Evergreen*, presently in use. If the replacement vessel were to be contracted for today, it would still take 3 years before she could be completed and in operation—by which time, of course, the existing vessel will be that much older and increasingly less efficient.

It should be borne in mind that our oceanographic program involves the coordination of the activities of a number of agencies. Oceanography is not a simple single discipline that can be conveniently departmentalized. Accord-

ly, after a number of years of intensive study—beginning in the Congress in 1959—the Marine Resources and Engineering Development Act of 1966 was enacted into law in June of last year, to improve and centralize the coordination of our varied oceanographic activities and to assign priorities to the areas in need of immediate action.

The law created the National Council on Marine Resources and Engineering Development, under the chairmanship of the Vice President, with membership representing all of the executive departments having significant involvement in the marine sciences.

I call your attention to the fact that in carrying out its intended function, the Marine Science Council approved the inclusion of the oceanographic cutter for the Coast Guard in the budget request for fiscal 1968. In fact, it is the only oceanographic vessel of any significance included in any budget request for this fiscal year.

I emphasize this point because from the testimony before the Appropriations Subcommittee, it does not appear that the members of that subcommittee fully appreciate that our committee, and indeed the Congress, have taken note of the present situation in regard to oceanography and the need for high-level coordination of activities in that field.

In further recognition of these problems, the 1966 Marine Resources Act also establishes a 15-member Commission on Marine Science, Engineering, and Resources, whose job it is to study all of the requirements for a long-range national oceanographic program, and at the conclusion of a fixed period of time, approximately 18 months, it is to make recommendations to the President, and to the Congress, for the organizational system best suited in carrying forward this field which is so vital to our economy and security in the future.

I appreciate the fine work that the new Appropriations Subcommittee on the Department of Transportation has done but felt that these observations would be helpful to their understanding of the multiple responsibilities of the Coast Guard.

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

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. KEITH. Mr. Chairman, I, too, would like to congratulate the gentleman from Massachusetts [Mr. BOLAND] for his splendid handling of the difficult job of subcommittee chairman—he has done a fine job of navigating in treacherous waters.

And I, too, Mr. Chairman, am concerned about the proposal contained in this bill to construct two high-endurance Secretary-class cutters at \$14.5 million each instead of one cutter and one \$12 million oceanographic vessel.

The oceanographic research vessel was to have replaced the obsolete *Evergreen*, a 30-year-old ice patrol vessel now used for both ice patrol work and scientific data collecting.

If the proposed appropriations go through—to build the cutter instead of the research vessel—it will mean the *Evergreen* will not be decommissioned as she should be. Work in rigorous arctic climates calls for a sturdy and safe ship with up-to-date equipment.

The Merchant Marine Committee, on which I serve, reviewed the Coast Guard recommendations and concurred that the new oceanographic vessel was much more necessary than the additional cutter.

In the past, our oceanography program has been so fractured that it needed coordination. Because of this scattering of responsibility, Congress approved the creation of a Marine Resources and Engineering Development Council under the chairmanship of Vice President HUMPHREY. This council is now in being and is currently reviewing our Nation's objectives in the field of oceanography.

I have reason to believe it would agree that the Coast Guard's new oceanographic vessel could play a vital role in our overall oceanography program. I hope the Appropriations Committee can make the necessary study to which they refer in their report on the coordination of oceanographic activities. If they check with the Marine Resources Council, I believe the committee will conclude that construction of an oceanographic vessel is more urgent than construction of an additional cutter.

I hope that an amendment will be accepted restoring the oceanographic vessel.

Mr. HALL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Forty-seven Members are present, not a quorum. The Clerk will call the roll.

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

[Roll No. 172]

Ashley	Garmatz	Passman
Brown, Calif.	Hays	Pryor
Burton, Calif.	Hébert	Rarick
Casey	Herlong	Resnick
Cowger	Hungate	Roudebush
Dent	King, Calif.	Scheuer
Dickinson	Kluczyński	Sikes
Diggs	Miller, Calif.	Sisk
Everett	Moss	Taylor
Ford	Murphy, N.Y.	Whitener
William D.	O'Konski	Williams, Miss.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. UDALL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11456, and finding itself without a quorum, he had directed the roll to be called, when 399 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal. The Committee resumed its sitting.

The CHAIRMAN. When the Committee rose the gentleman from Massachusetts [Mr. BOLAND] had 26 minutes remaining and the gentleman from Ohio [Mr. MINSHALL] had 17 minutes remaining.

The Chair recognizes the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. LENNON].

Mr. LENNON. Mr. Chairman and members of the committee, considering the problems of establishing a new Department of Transportation in the executive branch, I think we can well understand the difficulties that might have confronted this distinguished subcommittee, led by the distinguished gentleman from Massachusetts [Mr. BOLAND], when it was faced with the assessment of the President's budget request in this field for the first time.

Mr. Chairman, I appear in the well of the House today as a member of the Coast Guard Subcommittee for 11 years and as the chairman of the Oceanography Subcommittee of the House Committee on Merchant Marine and Fisheries for the last 5 years.

Generally speaking, Mr. Chairman, I find myself in agreement with this piece of legislation—this appropriation bill; the first appropriation bill for the new Department of Transportation—and with the language, generally speaking, of the committee report.

I do find, however, what I consider to be some lack of understanding on the part of this subcommittee with respect to two matters:

First, in the field of marine sciences and oceanography.

Second, in relation to the needs and the roles and missions of the Coast Guard.

Mr. Chairman, there are very few of us within the sound of my voice who know a great deal about the Coast Guard and its roles and missions.

Suffice it to say that the Coast Guard has a number of missions in everyone of the 50 States, but one, and in all of the free oceans and sea lanes of the world, and in many that are not so free.

Now, to come specifically to my point, if I may, and if the Members have a copy of the committee report in front of them, I would appreciate it if they would turn to page 9 thereof, with respect to the vessel program concerning the Coast Guard.

I want to agree with this statement:

Many agencies in the government are engaged to some extent in oceanographic and marine research activities.

Actually, these are proliferated in some 14 different agencies, departments, and bureaus of the Federal Government. This we will admit. But I wonder about the wisdom of the subsequent statement when the committee states this:

The committee feels that this important program could be more effectively managed and proposes to study the coordination of oceanographic activities throughout the government.

The Subcommittee on Oceanography studied this matter for some 5 years. We had a series of hearings that lasted 4 weeks. We heard from the private sectors of our economy, and from the marine scientists, technologists, and oceanographers, and all of the various Government agencies, departments, and bureaus. We heard testimony from some 42 Members of the Congress who had

introduced similar bills. There were three Members who introduced what we would generally refer to as "wet NASA legislation," and they came prepared to testify and testified very articulately, and with a degree of eloquence and conviction, but when they finished their testimony and they listened to the testimony of some 37 other Members of the Congress, as well as testimony from the private sectors of our economy and from the different Government departments, bureaus, and agencies, they recognized the need for legislation that would create a commission including all of the sectors of the Government and private economy to make a determination of what type of governmental structure we should have.

The Vice President of the United States is the chairman of this national council. They have done an excellent job, but this Commission headed by Dr. Stratton is doing a fabulous job. They are mandating, if you please, to make a recommendation to the President, and to the Congress of the United States, as to what type of governmental structure we should have to coordinate this entire subject of oceanography and the marine sciences.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOLAND. Mr. Chairman, I yield the gentleman 5 additional minutes.

The CHAIRMAN. The gentleman from North Carolina is recognized for 5 additional minutes.

Mr. LENNON. I thank the Chairman.

We asked the members of this subcommittee to defer its considerations, because this subject is being studied now not only by the executive branch of the Government, but by our subcommittee and by a Presidential Commission of the most eminent marine scientists, technologists, and oceanographers in the world. Their report will be forthcoming, and I hope it will be a report that will be acceptable to the President of the United States and to both branches of the Congress.

One other point: This distinguished subcommittee calls to our attention that in 1962 the Treasury Department, under which the Coast Guard was then operating, ordered a high-endurance cutter replacement program that would provide 35 new cutters by 1974. Now, listen to me and hear me, because I want to make this very clear:

The cutter replacement plan is in its fifth year at present, and to this year only eight new cutters have been budgeted. In other words, they are saying to us that with 35 new cutters programed, and we are in the fifth year of this program, that only eight new cutters have been budgeted. The legislative authorizing committee in its judgment and wisdom, based on a more intricate knowledge of the needs of the Coast Guard than I daresay this distinguished Committee on Appropriations has, made this determination, and you must keep in mind too, my friends, that the decision was made to send five cutters of this class to Vietnam after the budget request came up to the Speaker and to the President of the Senate.

The Coast Guard Subcommittee after

hearing extensive testimony, by a unanimous vote decided that there was an urgent and immediate need to replace these five—considering that we had only appropriated for eight—and in a 5-year period even though the program calls for 35 within the matter of another 3½ years. The full committee in its judgment approved the action of the subcommittee and approved the five. But you did not see fit to follow our recommendation.

Now, gentlemen, we are talking about the SST's and private enterprise. But here is an agency of the Federal Government that needs what the authorizing committee legislation is calling for. We cannot understand why, in your judgment, you saw fit to take the action you did.

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

Mr. LENNON. I am delighted to yield to the gentleman.

Mr. BOLAND. The answer is very simple. At the time the hearings were held, at the time that the committee sat down and marked the bill up, the authorization bill was not signed into law and we gave the Coast Guard precisely the number of high endurance cutters that they requested plus an additional one, if they would do away with the oceanographic vessel.

Mr. LENNON. Do you mean you gave them precisely what the Bureau of the Budget requested?

Mr. BOLAND. The Budget requested one high endurance cutter.

Mr. LENNON. But that is not what they require.

Mr. BOLAND. That is what they requested for the fiscal year 1968.

Mr. LENNON. That is not what they requested for the Coast Guard.

Mr. BOLAND. It is what the Coast Guard requested before our Committee on Appropriations.

Mr. LENNON. Of course, I must point out that going through the layers of bureaucracy, they were cut down—that is true. The Coast Guard recognized the need. Of course, when I say that, I say that advisedly and I do not mean that this was done on the part of this distinguished subcommittee. I am talking about the Department of Transportation and that is where they were cut back. I am not criticizing but I am just raising the question—you gentlemen say in your report that there is an urgent need to move forward and, yet, you cut us back after we authorized it. Could you not depend on the knowledge of the members of the authorization committee—we are in a better position to equate these things and make a judgment on this.

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

Mr. LENNON. I yield to the gentleman.

Mr. BOLAND. Obviously, the answer is "No."

Mr. LENNON. Apparently not.

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

Mr. LENNON. I yield to the gentleman.

Mr. McFALL. I am sure that gentleman and his subcommittee studied this Coast Guard program for a long time

and know what they are talking about. Undoubtedly, the Coast Guard does need the cutters that the gentleman speaks of. The Committee on Appropriations, however, was in the situation described by the chairman of the committee and described by the gentleman in the well, and it had the budget request before it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOLAND. Mr. Chairman, I yield the gentleman 1 additional minute so that the gentleman from California [Mr. McFALL] may give his answer for the record.

Mr. McFALL. We were in a situation where we had a request for one—and we funded that one. We also added one. So that, we gave them twice what we were requested to in that we asked that the money for the oceanographic vessel be used for a high endurance cutter. So in a sense, we gave twice what was asked us over and above what the Bureau of the Budget would permit that agency to request. We would be very happy, I think, to fund more high endurance cutters if we were requested to do so by the Department.

Mr. LENNON. You did not consider the authorization bill to be a request by another legislative committee of the Congress?

Mr. McFALL. What we did was to consider the request of the Bureau of the Budget and the President.

Mr. LENNON. You did not consider the authorization legislation which this House passed without one dissenting vote?

Mr. McFALL. We considered the authorization, but the budget request is made by the executive and this is the practice followed by every subcommittee on appropriations.

Mr. LENNON. I appreciate it.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. LENNON] has again expired.

Mr. BOLAND. Mr. Chairman, I yield myself 1 minute in order to reply to the gentleman.

We always consider authorization requests of the legislative committees, but the Committee on Appropriations has the responsibility of funding the various programs of the Federal Government. If the Committee on Appropriations recommended full funding for all of the authorizations of all of the legislative committees, I would just hate to think what the budget would be.

Mr. LENNON. I thank the gentleman.

Mr. MINSHALL. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. Pelly].

Mr. Pelly. Mr. Chairman, if I might I would like to address myself to the provision in H.R. 11456 which would appropriate \$142,375,000 for two prototype supersonic transport aircraft which I fully support.

Mr. Chairman, the eyes of the world are on the House today, waiting watchfully to see whether Congress is going to invest in U.S. prestige and supremacy in its aircraft technology, or decide, instead, that airlines must pay billions of dollars to the British-French consortium for their Concorde. The Boeing company has on order 129 sales for the American

SST, and those sales will surely go to the British and French if we fail to provide the authorization for the SST program today.

Not only are the British and French watching what we do today, but the Russians have a direct interest. Their SST is expected to be shown within the year, and although the United States is lagging in development at the present time, the confidence that the American aircraft industry has built through the years does not place it at a disadvantage, providing the research schedule can be maintained. More than a half-billion dollars has been invested in phases 1 and 2, but now phase 3 needs to be started to maintain the program. The world confidence in America's ability to build airplanes is evidenced in the fact that there are far more orders on record for the American SST than for the Concorde, which will be in the air years sooner. But, there are other considerations than this confidence, and the value of the SST certainly goes far beyond the obvious saving of time of airline passengers. The jobs created by the production and operation of the aircraft will be important to thousands of Americans. The health of a major American industry will be saved, and the United States, already severely taxed in its balance of payments, will enjoy a return of billions of dollars, instead of an additional outflow of gold. Mr. Chairman, there simply is no alternative to the Government's involvement in the SST project. The cost of developing an advanced SST is too great for private industry since it will take 12 to 15 years before there will be any return on the money. Mr. Chairman, the United States must either be a part of this new era of air transportation, or forgo its leadership position.

GOVERNMENT INVESTMENT VERSUS PRIVATE CAPITAL

There is talk that an amendment will be introduced that would prohibit Government participation in this SST program, but this simply would kill the project. There is no other way that has been shown to me by which this project can be accomplished, than with Government participation. Like my colleagues, I have received letters proposing private financing of the SST despite protestations to the contrary. No private financial proposal has the support of the Government, nor the backing of industry. And, there are good reasons. There will be a long, dry period of 12 to 15 years between the time of the development investment and the time profits can be expected. And, this period of financial sterility dictates that interest on the invested money be obtained at the lowest possible rates. This is why private capital, at equity rates of return, would be simply too expensive for the prototype phase of the SSA project.

I do not have to remind the Members of this House, Mr. Chairman, that the Boeing Co. used its own money to develop the 707 jet. This private investment was \$17 million, a large amount of money for a private industry to risk, but very small compared to the amount needed for the development of the SST. Yet, Boeing's research set the pace for

the world in developing U.S. airplane supremacy and prestige. Boeing continued their private, pioneer effort with their own investment in the 727, 737, and the research on the jumbo-jet, the 747. However, the SST is an entirely new research area, and developmental costs are huge. The financing potential of the manufacturers is inadequate to tackle such a large-scale, high-risk, long-term venture. The Boeing Co.'s current reported net worth is \$500 million, and the engine division of General Electric's worth is far less than that. We are not talking here today about production of airplanes for private industry, Mr. Chairman; we have the issue before us of financing prototypes, in which financial help of \$52 million has even come from the airlines to lessen the Government participation. Mr. Chairman, I oppose any amendment requiring private investment of the prototypes, because its effect would not be to aid the project, only to ground it, and perhaps permanently.

GOVERNMENT RETURN ON ITS MONEY

Mr. Chairman, the question of sonic boom restrictions has been discussed by many people, and the uncertainty that a supersonic transport can be flown over land areas at supersonic speeds certainly exists. But, in this connection, Secretary Alan Boyd has said it may have to fly at subsonic speeds over land if the boom problem is objectionable. This makes it imperative for us to consider, then, the minimum return on the Government's money, and the economic feasibility if the SST only is permitted to fly over water. Mr. Chairman, even without House authorization for the advancement of the SST program, airlines have placed 129 orders for delivery positions with the Boeing Co. The break-even point for the Government's participation is 300 airplanes in 15 years. The FAA has estimated the sales at 500, even with the restriction of supersonic speeds over water routes only. It hardly seems possible, regardless of whether this aircraft flies over water or over water and land at supersonic speeds, that 300 planes would not be sold and the Government would not be reimbursed in full. But, Mr. Chairman, let me speak for a moment on the effect if the United States is denied the opportunity to proceed with the development of the SST. Those sales now on order most assuredly will go to the British-French Concorde, at a price-tag of \$40 million each. That is well over \$4 billion. Mr. Chairman, I cannot emphasize strongly enough my support for this program in light of these conservative estimates of traffic volume, sales and return of Government investment, plus the fact that almost one-half of the goal of 300 aircraft has already been reached.

MILITARY APPLICATION

Mr. Chairman, the possibility of a military application to the SST is not justification alone for its construction, but it is a factor that should be considered. In the 1940's the Defense Department said there was no military application for the jets that they use to such a vital degree today. And, today

we stand on the threshold of a new era in aviation with the same type of "horse and buggy" thinking that existed 20 years ago. It is inconceivable to me that if there were SST's sitting in the Nation's airports, or at military installations, that, in time of emergency, their vast speed and passenger capabilities would not be used to great advantage. Mr. Chairman, I suggest that the military application of the SST is great, and one that should be remembered in rendering a decision on this authorization.

BALANCE OF PAYMENTS

Mr. Chairman, a French aviation expert has been quoted as saying:

We have, with the Concorde, an unprecedented opportunity to challenge the U.S. manufacturers in their own market.

And, Mr. Chairman, Sir George Edwards, the British airplane designer, has said:

The only thing that can affect us now is how quickly your country decides to begin building your first SST.

The Concorde consortium is viewing with watchful eyes what we do here today, for they have plans for over \$4 billion sales by 1975 for the Concorde. And, I ask where those sales are going to come from? They are going to come from U.S. airlines, and the degree of this outflow of American money is going to be determined by our decision today. If there is to be no American SST, our airlines will buy the Concorde in large numbers as a matter of economic survival for the highly competitive transatlantic routes. It is this balance of payments which highly concerns me. The question is simply, do we allow American money to flow overseas for the purchase of these aircraft, or do we create the jobs here in the United States and have foreign income for our product? And, these are no small amounts. Taking into account both sales of our aircraft abroad and the fact that, with an SST of our own, the U.S. airlines would not be required to make these foreign purchases, the favorable balance-of-payments effect is estimated to be as high as \$54 billion. Mr. Chairman, I consider this a vital consideration in supporting this authorization of the American SST.

OVER LAND VERSUS OVER SEA ISSUE

Mr. Chairman, even if supersonic flight is restricted to international, overwater routes, the potential market for the SST is more than adequate to return the entire investment, plus profit, to the airlines and manufacturers, and the investment, plus interest, to the Government. The air travel market is expected to grow at least tenfold in the next 25 years, and 40 percent of that growth will be in the lucrative overwater market, in which the SST will operate initially. A successful supersonic transport production program, therefore, could be exceptionally large. Government and industry estimates indicate that at least 500 planes will be needed by 1990 to serve intercontinental overwater routes only. I emphasize, Mr. Chairman, this estimate is for overwater flights alone. Should research from the day-to-day use of the Concorde, and study on the de-

veloping SST solve the sonic boom problem, and eliminate restrictions over land areas, then those sales are expected to reach 1,000 to 1,200 by 1990.

However, Mr. Chairman, let us just restrict my remarks to overwater flights. A 500-plane overwater market will be adequate to provide a basis for developing a competitive airplane that will allow the airlines to make a profit, return the Government's investment, and permit a profit for the manufacturers. Perhaps the most reliable indicators of the SST's potential revenue and profit capabilities, however, are the airlines themselves. The major airlines in the United States have placed at risk, \$1 million for each SST they have on order.

Mr. Chairman, I believe the strongest security the Government has for its investment is the private airline commitment of \$52 million of their own money to ease the burden of Government investment during the prototype development program.

Mr. BOLAND. Mr. Chairman, I yield 3 minutes to the learned gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, although I support the development of the supersonic transport, and the struggle for commercial air leadership which it seeks to preserve for the United States. I oppose the method of funding and paying for this project out of the general funds of the Treasury.

Over one-half billion has already been spent for design and development studies. Today we contemplate spending an additional \$142 million as a partial commitment on an obligation which may cost the taxpayers of the United States between \$4 and \$5 billion or more.

The only question I raise at this time relates to the propriety of placing the financial burden of this development on all of the taxpayers, although only a special group of taxpayers will benefit.

According to figures submitted to my office over 85 percent of our citizens have never been on any kind of an airplane. Of the remaining 15 percent of our population, less than 6 percent of our people regularly fly. Therefore, these billions of dollars are being spent to provide additional airspeed to a very select and small group of people of America.

Somehow or another the small and select group of citizens who stand to benefit by this development should more substantially contribute to its cost. It is unfair and a form of regressive taxation to finance this aircraft development out of general tax revenues which we can ill afford at this time.

Last February, I proposed the establishment of a commercial aviation development trust fund. The development resources would be created by the imposition of an additional 5 percent airline travel tax imposed on travel within, to, and from the United States. This tax would be in addition to the present 5-percent air travel tax which creates a modest contribution to the Federal Government expenditure for airport construction and the monitoring of air transport.

This 5-percent tax would raise in excess of \$150 million annually for this purpose and all other purposes related

to improved commercial air transport. It would establish a user tax for commercial air development and provide a system of payment more equitably related to benefit. The user tax would undoubtedly have to be supplemented by general tax revenues—but at least a portion of the burden would be assumed by the 6 percent of our people who regularly fly and desire the maximum benefit of faster travel.

The highway trust fund and the fuel tax which supports it have provided America with the finest highway system in the world. The user tax principle has made this development possible.

The supersonic transport is not the first commercial aircraft development. Nor will it be the last. Aircraft development must continue year after year—a user development tax will become inevitable. It may as well begin now and put the tax burden more squarely on those who receive prime benefit.

We have time now to develop more suitable methods to finance the supersonic transport development. We should act now to provide the most suitable arrangement—before we become irretrievably bound and committed to casting this burden entirely upon the general taxpayer.

Mr. BOLAND. Mr. Chairman, I yield 4 minutes to the gentleman from Connecticut [Mr. GIAIMO].

Mr. GIAIMO. Mr. Chairman, I take this time to commend the chairman of the subcommittee, the gentleman from Massachusetts [Mr. BOLAND], the ranking minority member, the gentleman from Ohio [Mr. MINSHALL], and all other members of the subcommittee for the fine job which they have done in bringing this bill before us today.

I have had the privilege of serving, and I continue to serve, with the gentleman from Massachusetts [Mr. BOLAND], the gentleman from Ohio [Mr. MINSHALL], and the gentleman from North Carolina [Mr. JONAS], on the Independent Offices Appropriations Subcommittee, and I know the effort and the ability which they put into this important piece of legislation. I believe it is a good bill.

I know that the gentleman from Massachusetts [Mr. BOLAND], has gone over the bill very thoroughly and is completely familiar with it, and what he recommends to us today should be accepted by all the Members of this body.

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

Mr. GIAIMO. I yield to the distinguished chairman of the Committee on Appropriations.

Mr. MAHON. Mr. Chairman, I want to join with my good friend in these laudatory remarks about the gentleman from Massachusetts [Mr. BOLAND], the gentleman from Ohio [Mr. MINSHALL], the ranking minority member of the subcommittee, and the gentleman from North Carolina [Mr. JONAS]. I would want to also compliment the other members of this subcommittee, the gentleman from California [Mr. McFALL], and the gentleman from Illinois [Mr. YATES]. Their work merits our support. They have, I believe, made a great contribution

through their diligence and their efforts in forging this important legislation and in bringing it before the House today.

They have made significant reductions in the requests in the interest of promoting efficient and economical operations and in helping get the new Department of Transportation off on a sound footing.

This new Department is headed by a very able man, Hon. Alan Boyd. Under his leadership, and the continued good work of the committee, I believe we have every reason to look forward to effective contributions to the national welfare by this new Department.

Mr. GIAIMO. I thank the distinguished chairman of the Committee on Appropriations and I certainly agree with my chairman.

Mr. Chairman, insofar as the problem of the SST is concerned, I am familiar with this problem. I have worked upon it for several years in our Independent Offices Subcommittee of the Committee on Appropriations. I feel that I can also speak on this subject very objectively in the sense that the competition for the engine to be placed in this plane, as all of us know, had been between the General Electric Corp., and the Pratt & Whitney Corp., which is located in the congressional district which it is my honor to represent but which company lost the competition and the award went to the General Electric Co.

Therefore, Mr. Chairman, my own State has not too much to benefit from the continuation of this very expensive program. Nevertheless, this program must continue.

Mr. Chairman, if we will look at the flag carriers of every major nation in the world, we will see them flying American-made planes and engines.

If we, as a nation, are to continue in the competition which exists in the world today, if we are to stay abreast of this situation and of the state of the art in aviation, then we cannot afford to fall behind in aircraft production and in new types of aircraft.

Mr. Chairman, within a very few years we will be in the supersonic field, whether we like it or not. I am sure that most aircraft manufacturers would prefer this to be delayed for some period of years. But it is here. The state of the art is here. The know-how exists today, and these planes are going to have to be made by the United States, or we are going to fall behind economically and in every other respect. When we are talking about this program, we are not just talking about staying ahead of the state of the art in aviation. We are also talking about thousands and thousands of jobs throughout this country, all of which contribute to the health of our economy.

Mr. Chairman, I urge that we support this able subcommittee in its recommendation in this particular field, and in all fields over which it has jurisdiction.

Mr. MINSHALL. Mr. Chairman, I yield 4 minutes to the gentleman from Iowa [Mr. Gross].

Mr. SHRIVER. Mr. Chairman, will the distinguished gentleman from Iowa yield?

Mr. GROSS. Yes, I am glad to yield to the gentleman from Kansas.

Mr. SHRIVER. Mr. Chairman, I associate myself with the remarks of the gentleman from Washington [Mr. PELL] and commend him for the logic of his statement.

The \$142 million in this bill for further development of the supersonic transport is a sound investment in the prestige of this country and its supremacy in its aircraft technology.

I am in complete agreement with the report of the committee submitted by the gentleman from Massachusetts [Mr. BOLAND] which stated and I repeat:

The committee believes that development of the SST is of sufficient importance to the country that the funds recommended should be appropriated. The value of the SST goes far beyond the saving of time of airline passengers. The jobs created by the production and operation will be important to thousands of Americans. The health of a major industry will be preserved. Foreign exchange will be earned, and the more than one-half billion dollar investment already made will be protected. The time is near for the next step in air transportation, supersonic flight, to become a reality. The United States must either be a part of this new era or forgo its leadership position in air transportation.

Of course, there are some uncertainties to the SST program. There have been in every great advance forward in this country's leadership in the aero-space industry.

The SST program should go forward with the least possible delay. The airplane represents significant advancements in technology. Both the British-French Concorde and Russian TU-144, and their follow-on advanced versions, are serious threats to this country's manned aircraft leadership and capability.

The large potential market is bound to have a substantial economic impact on the country producing supersonic transports.

This program, during the prototype and production phases, will provide desirable long-term employment for the most important aircraft industry. During the prototype program it is estimated that the airframe and engine manufacturers, and their suppliers, will employ over 28,000 people. The production program could employ thousands and thousands more.

I commend the subcommittee for its excellent report. Its contribution to the improvement of our transportation system contributes to the strength of the economy and the greatness of our Nation.

Mr. GROSS. Mr. Chairman, as the House considers this Department of Transportation appropriation bill for fiscal year 1968, I consider it timely and important to indicate definite concern as to the need for a hard-nosed management review in this newly created Department.

Last week the Honorable Alan Boyd, Secretary of the Department of Transportation, appeared before the Manpower Subcommittee of the Committee on Post Office and Civil Service, relative to the needs of that Department for additional top level jobs; namely, GS-16, GS-17, and GS-18 positions. Secretary Boyd, in his statement before our sub-

committee, made the following comment and I wish to quote:

I think it is important to recognize at this point that the Department of Transportation was not created to accomplish the diminution or consolidation or abolishment of those organizations brought into the Department.

This statement, to a degree, is distressing. I recognize that as a new Department there might well be, and I am quite confident there is, an overlaying of top-level jobs over the various organizations that were brought into the new Department.

The Secretary also indicated he recognized that there are duplicate functions within his Department but that he had been unable to accomplish economy through the consolidation and elimination of overlapping functions except in a small printing plant.

A review of the Department of Transportation's table of organization, which was submitted to the Manpower Subcommittee, reveals six different bureaus working on safety. These are: Bureau of Railway Safety, National Safety Bureau, National Traffic Safety Bureau, Bureau of Motor Carrier Safety, Bureau of Aviation Safety, and Bureau of Surface Transportation Safety. Yes, I am very much interested in the emphasis on safety in anything that relates to transportation; but, I question the need for six different safety bureaus in one department. It appears to me that here is a challenge to Secretary Boyd and his top aides to streamline this functional area.

I would also like to recommend to officials in the Department of Transportation that during 1968 they consider the possible overlapping and duplication in other management areas, such as: employee training, employee payrolling, public relations, comptrollership, management analysis, and the maintenance of Department-owned aircraft.

Mr. Chairman, it seems to me that Secretary Boyd has a splendid opportunity to come before us next year with sizable savings to the taxpayers of this country in the number of employees on the payroll as well as operating funds. With other Members, I will be looking forward to a critical review of the Department's appropriation for fiscal year 1969.

Mr. BOLAND. Mr. Chairman, I yield the remainder of the time to the gentleman from South Carolina [Mr. RIVERS].

The CHAIRMAN. The gentleman from South Carolina is recognized for 8 minutes.

Mr. RIVERS. Mr. Chairman, first of all I want to compliment this great committee, under the leadership of the gentleman from Massachusetts [Mr. BOLAND], and the complementary leadership of the gentleman from Ohio [Mr. MINSHALL], on the magnificent job they have done in this and other areas. No one knows the dry, cold facts the Committee on Appropriations has to take into consideration, and the work they have to face in some of these undramatic efforts on behalf of this country, and for this I also want to compliment them.

Mr. Chairman, I want to say, to begin with, that I favor the SST—I favor the

SST. I further want to say any discussion of the future of the supersonic transport must include the potential military value of this aircraft.

I am familiar with those who say there is no requirement or there are no requirements from a military standpoint for the SST. That is not factual. I suppose the same arguments could have been made when the Boeing Co. spent \$17 million on the first 707 prototype, and the Air Force subsequently came along and spent \$88 million to develop the KC-135 that is the granddaddy of all of them, because the Boeing Co. had at least demonstrated the feasibility of a large jet transport, and out of this came the refueling concept which is so vital to the logistical capacity of our military aircraft.

I mention this, Mr. Chairman, because it has been truly said that what is past is prolog, and I sincerely believe that those who cannot see a military value in the SST are in some areas suffering from some kind of myopia.

Certainly there is a military potential in this aircraft, and I predict that before the SST flies in a commercial operation military requirements will have been developed, and military orders will have been placed for this aircraft. I do not care who makes a statement to the contrary notwithstanding.

I will have you understand Secretary McNamara said he could build the TFX in fewer than 5 years. He could not do it. Nobody, but nobody, can build an airplane in fewer than 5 years—the state of the art just refuses to be pushed.

Within 5 years you will see this—mark this on your book—this is as inevitable, Mr. Chairman, as was the military use of steam when old Robert Fulton cruised up the Hudson River.

We know that large sums of money are involved in the development of the SST. But I would remind you that there were also large sums of money involved in the first atomic submarine which the Congress built. The people downtown could not see it but thank God your Congress was the first to realize the need for and the potential of nuclear propulsion.

In a similar manner, Mr. Chairman, air superiority whether it is commercial or military is vital to the future of this Nation.

This aircraft is needed from an economic viewpoint. It is needed from a military viewpoint. It is even needed, Mr. Chairman, from a prestige standpoint.

This country will have over 200 million people in it in the batting of an eye. We will have a trillion dollar gross national product. Can we afford it? You bet your bottom dollar we can afford it.

I hope this House will follow the lead of this distinguished committee.

Mr. Chairman, we bought over 808 of the 707 type aircraft for our military and of those 808, we have used 732 KC-135 tanker aircraft.

We have 14 RC-135's.

We have 45 C-135's.

We have 17 EC-135's. That is the plane that is so vital in case everything else is bombed out and you need a com-

mand ship to fly around with all the vitals in it to keep this country going.

We have three 137's.

Now, we have many more other types of aircraft of the same design, like the DC-8's which use the great engines the Pratt & Whitney and General Electric make. We have only two engine manufacturers who make the pure jet aircraft engine.

With the exception of these two, we have Allison of General Motors who make the turboprop, and we are trying to get them into the pure jet business too.

This country leads the world now in aircraft. Why do we want to default? We have aircraft flying around this country now at over 2,500 miles an hour.

Think of the windfall that we are getting from this plane—from the titanium know-how. No nation knows how to use titanium like this country does. No nation—but no nation.

Think of the windfall that we get from these alloys which you use in these rockets.

Think of these exotic fuels that we will get.

Oh, yes, Mr. Chairman, we need this SST. We need the prestige. Why take away from America our leadership that we now possess?

Mr. Chairman, this committee should be congratulated for their leadership and for their vision. I say to you, we need it from a military standpoint.

We have been trying to sell the Secretary of Defense on the AMSA—the advanced manned strategic aircraft—because we want a contract definition. We want to know what the configuration is going to be.

How do we know what Russia has? The other day they brought out a TFX type of aircraft with the radial wings.

Why default? When you have it in the palm of your hand—why default?

Mr. Chairman, this is a military need. I do not care what the people downtown who preach pushbutton warfare say. We need manned systems and this is the beginning.

You cannot get this in 5 years. You do not know nor do I know what may transpire in 5 years.

Mr. Chairman, this is a paltry sum to pay for prestige and for leadership and to keep ahead militarily.

Mr. Chairman, I respectfully ask this Committee to think long before we delete this item which is so needed in our race for survival.

I yield to the gentleman from Texas.

Mr. PICKLE. I thank the gentleman for yielding.

I wish to associate myself with the gentleman's remarks.

Mr. Chairman, I commend the President's recent action to proceed immediately with prototype construction of the supersonic transport.

Both the Anglo-French Concorde and the Russian TU-144 pose serious threats to our manned aircraft leadership and capability. This challenge is not based solely on the emotional aspects of America's prestige, although it is certainly a factor in the cold war era. But the fact is, there are significant economic reasons

why we must meet our competition head-on with the SST program.

One of these is that as delivery of the Concorde begins, the market for the SST decreases. We are told that some Concordes will go on the market in 1971. This does not allow for much delay in the construction and testing of the SST.

Boeing estimates that a 2-year delay in the SST program could reduce sales from 1,100 by 1990 to about 660. This would be a serious loss of revenue. And we should keep in mind that the recovery of the Federal investment in this project is directly related to the number of airplanes sold.

Also, sales of the Concorde could affect the U.S. balance of payments adversely by some \$22 billion through 1990. The SST would serve not only as a check on this adverse effect, but would add approximately \$32 billion to this country's favor.

Present projections indicate the first SST will fly in late 1970 and that production airplanes will be flying a little more than 3 years later. This means certification and initial deliveries will be 3 to 4 years after the initial delivery of the Concorde.

We cannot allow this leadtime to increase.

Mr. MINSHALL. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia [Mr. SCOTT].

Mr. SCOTT. Mr. Chairman, I wish to refer to only a small portion of the bill. On page 15 of the report which has to do with construction at the National Capital airports, I note that the budget for construction at Washington's two airports, National and Dulles International, is combined, and \$160,000 is appropriated for constructing a storage building for snow-removal equipment at Dulles.

I would call to the attention of the Committee the fact that the Federal Government has already spent \$110 million for the construction of Dulles International Airport, and that compares with the \$66 million of grants-in-aid that is proposed in this bill in the next paragraph for the entire country. This is one of the world's most modern airports and presently one of the most underused.

I would like to commend the Civil Aeronautics Board for the present investigation of congestion and safety at National Airport. National is operating at 2½ times the capacity for which it was constructed. If we compare the two airports, National, operating as it is at 2½ times capacity, and Dulles Airport, which has the most modern facilities and has plenty of room for expansion, common sense dictates that we make further use of Dulles International Airport.

I would like to urge my colleagues to assist in the promotion of Dulles International Airport, or Washington's International Airport, to protect the investment that the Government has out there of \$110 million.

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

Mr. SCOTT. I yield to the gentleman from Maryland.

Mr. GUDE. I would like to commend my colleague for his interest in the pro-

motion of Dulles Airport. We must work toward the maximum utilization of all the transportation facilities we have in the metropolitan area if we are going to have a system that even approaches adequate service for this growing area. I am looking forward to cooperating and working with my colleague and my other colleague, the gentleman from Virginia [Mr. BROYHILL], and the gentleman from Maryland [Mr. MACHEN], on all of our metropolitan area transportation problems.

Mr. PHILBIN. Mr. Chairman, I am in strong support of this bill, and favor the item for the supersonic transport aircraft. I commend my able, esteemed colleague, Mr. BOLAND, for his fine work on the bill.

It is encouraging to note that we are now moving to make up for lost time. As Members of the House know, the British and French started to move in this matter several years ago by joining in a consortium to build the supersonic Concorde.

The Russians have also gotten into this act, and there is a strong likelihood that the Russian supersonic plane, while not considered by experts to be as ambitious as the Concorde, may be in the air transportation business ahead of it.

Our own efforts to promote the SST are developing well and the Boeing company has currently on order, we are informed, 113 sales for the American SST.

However, if we should fail to support and back up the SST program for the United States, these sales would certainly go to the British and the French.

The American aircraft industry has led the field in civil aviation, just as it has in military aviation. We have placed some very high-powered, sophisticated jets in service here in the United States and all over the world, and they are doing a great job.

However, the SST is another great stride in aviation. This plane will in time outdistance, and probably outmode, the existing jets of all nations.

We are fortunate that we have such a fine American aircraft industry, upon which we can depend to build a satisfactory SST. This is a very costly job and already more than one-half billion dollars have been invested in the various phases, but now an additional phase must be started to maintain the program.

American aircraft has the confidence of the world and this new SST also should be helpful in closing the dollar gap that is vexing and befuddling the monetary experts and giving much concern to thoughtful Americans.

Mr. Chairman, this is a long-range plan and a very important one, and it deserves our total commitment, our encouragement and our effective, enthusiastic support.

Perhaps this epochal aircraft will in some sense enable us to make up for some of the rich benefits we lost when we did not go ahead earlier with appropriate, new, military aircraft as our Armed Services Committee urged, which would have given us a rich bounty of valuable research and development information similar to that we utilized in building other fast jets that have greatly

raised the prestige of this country in the aviation world throughout the years.

Let us not miss this opportunity to advance the American air arm.

Let us stand and work for a bigger and better airpower across the board. Thus we may best serve the needs of the jet age.

Mrs. DWYER. Mr. Chairman, the pending appropriations bill and the committee report which accompanies it provide convincing evidence of the need for greater progress in coordinating the related functions of the Department of Transportation and the Department of Housing and Urban Development in the field of urban transportation and in expediting administration recommendations for the most efficient and rational organization of such functions.

The administration's draft legislation last year to establish the new Department of Transportation ignored this problem entirely, and it was in response to this failure that I offered the amendment, subsequently enacted into law, to require the two Departments to undertake studies of urban transportation and report to the President and the Congress within 1 year on the logical and efficient organization and location of urban mass transportation functions in the executive branch.

As the committee report notes, however, and as its hearings amply support, duplication and overlapping already exist in the programs of the two Departments—to such an extent, in fact, that the committee has recommended several reductions in programs of urban transportation research because of the Department of Housing and Urban Development's activities in this area. Duplication and the waste that it entails is always regrettable, but it is doubly so in this case in view of the great need for, and the relative shortage of, the high quality research on which improved urban mass transportation systems must be based. When funds are limited, there is less excuse than ever to spend them on duplicating efforts.

The committee's reductions will, I hope, serve to alert the two departments and the administration to the immediate need to clarify and coordinate the Federal Government's urban mass transportation functions both to assure maximum results from their efforts now and to reach agreement on a form of organization which will give to the urban mass transportation program the strong direction and adequate resources necessary to enable it to help rescue urban areas from increasing traffic congestion.

Mr. PUCINSKI. Mr. Chairman, it is in my judgment, the height of irony, that our Government is planning to spend a huge sum of money for developing the supersonic transport when we have practically no available information on what these supersonic aircraft are going to do because of sonic booms to people and animals in the United States, as well as other countries.

We are being shoved into this project without any guidelines requiring the development of a design which would reduce sonic booms to an acceptable and livable tolerance.

I want the RECORD to show that I am unalterably opposed to any expenditures for the development of this supersonic transport until such time as the engineers can convince us that they have perfected a design and a powerplant which can keep sonic booms below 1.5 pounds overpressure per square foot at ground level.

Responsible studies of the effect of sonic booms clearly indicate that anything over 1.5 pounds of pressure per square foot has an adverse effect, not only upon buildings, but also upon human beings and animals.

I have introduced legislation which would prohibit supersonic aircraft which generate in excess of 1.5 pounds overpressure per square foot from operating over the continental United States.

I say that it is sheer deception to say to the American people that these supersonic transports will not travel at supersonic speeds over continents. If we limit these airplanes to the use of supersonic speed only over oceans, their effectiveness as a time-saving ship will be so adversely affected that they will become a financial disaster. Nobody is going to kid me. You know, and I know, that after the U.S. Government invests billions of dollars in the development of this supersonic transport, the industry is going to say that they have to fly at supersonic speeds over the United States in order to make the aircraft profitable and thus justify this huge expenditure by the Federal Government.

I hope the House will reject any funding of this aircraft until the industry proves to us that it can design an airfoil with characteristics which will produce sonic booms within the tolerable limitations. I do not believe a cent should be spent on developing this aircraft until this assurance is given the American people.

Mr. Chairman, history will prove me right. We will rue the day that this Government participated in the development of an aircraft which will produce sonic booms of such a magnitude that the lives of millions of Americans will be adversely affected, and more important, seriously endangered.

I know of no way to predict with any certainty that an aircraft lowering its speed in certain areas will be able to control the sonic booms with such precision that it will avoid huge damage to property below.

We have seen in the Oklahoma and California experiments the devastation that sonic booms can cause to property. Mr. Chairman, if this airplane is designed without the safeguards which I have proposed, I want the RECORD to clearly show that at least one Member of this Chamber warned against the havoc which can sweep its large cities with its glass-enclosed skyscrapers when the sonic booms get out of hand in the near future.

I want no part of the responsibility of seeing a shower of glass catapult down upon large crowds of people in our central areas when an unpredictable sonic boom hits the area and causes its devastation. This is no exaggeration. These are realities that we know exist under the present

state of the art in the development of supersonic aircraft.

I am mindful that the President has instructed the interested agencies to include in their consideration the problem of sonic booms, but the warning is so nebulous that I guarantee you when the first SST rolls off the American production line, it will have a potential of sonic booms which will change the lives and welfare of millions of Americans, not to mention its adverse effect on wildlife and animals in this country.

This is an historic date in this Congress and I assure you that historians will point back to this debate and when havoc is wrecked upon our communities from uncontrolled sonic booms, history will show that at least one Member raised his voice in protest. I am not against progress, but there is nothing that says man must blindly engage in his own mass destruction under the guise of progress.

Mr. Chairman, I probably will not be alive to boast that "I told you so," but future generations of America will, indeed, condemn the day the Congress approved the development of a supersonic transport without the necessary safeguards against sonic booms. I hope these development funds will be blocked by the Congress.

Mr. RYAN. Mr. Chairman, we are asked to consider today H.R. 11456, appropriating funds for the Department of Transportation. The bill appropriates \$10.3 million for research and development in high-speed ground transportation and \$142,375,000 for the development and construction of two prototype supersonic aircraft, the Boeing model B-2707, known otherwise as the SST. This proposed mach 2.7 commercial airplane, will carry nearly 300 passengers, cruise about 1,800 miles per hour at an altitude of 65,000 feet with a range of 4,000 statute miles. If developed, it would fly about three times as fast as present commercial jet transports.

On May 1, 1967, President Johnson authorized the Secretary of Transportation to sign contracts with Boeing Aircraft Co. and General Electric Co. The former is to build two prototype air frames; the latter will construct the 60,000-pound-thrust engines, three times the thrust of present commercial jet engines—Washington Post, June 11, 1967. Although these contracts, made retroactive to January 1, 1967, formally initiated the third phase of the five-phase research development and production schedule, a SST has been under consideration at least since December 1959 beginning with the formation of a study group within the Federal Aviation Administration to examine the technical, economic, and operational feasibility of a supersonic transport for commercial purposes.

In August 1961 the Congress appropriated \$11 million to the FAA for SST research. After initial requests for proposals for research, contracts were issued during November 1961 and 37 contractors were subsequently awarded one or more contracts. The Congress, during October 1962, appropriated \$20 million to continue the research, and in June

1963 President Kennedy announced determination to proceed with the SST program.

The Office of Supersonic Transport Development, now directed by Maj. Gen. Jewell C. Maxwell, was established within the FAA in July 1963, and in November of that year, the Congress appropriated another \$60 million for the FAA fiscal year 1964 budget to continue SST design research.

Evidence indicates that the SST program has been under speedup pressure in order to compete with the production schedule of the British-French Concorde, a mach 2.2 supersonic commercial craft with about 125-passenger capacity. But in July 1965, President Johnson extended, for another 18 months, the original 2-year design period. At the request of the President, Congress appropriated another \$140 million for fiscal year 1966. Over the strong objection of Senator PROXMIRE—CONGRESSIONAL RECORD, volume 112, part 14, page 18684, and the following Congress appropriated an additional \$280 million, \$200 million of which was for the initiation of work on the prototypes.

Mr. Chairman, approval of the proposed authorization, which is \$55.6 million below the administration's request, will in effect commit public resources to carrying out the complete prototype program, the total cost of which will, including the previous research expenditures, amount to an estimated \$1.45 billion—hearings on Department of Transportation Appropriations for 1968, before a subcommittee of the Committee on Appropriations of the House of Representatives, 90th Congress, first session, page 289—hereinafter cited as "hearings". Of this amount, the U.S. Government will pay about \$1.2 billion, including the \$511 million heretofore appropriated.

This \$1.45 billion, of which private industry is to contribute only about 10 percent, does not include the future investment required to certify and produce the SST. If the prototype is successful, after the 100 hours of proposed flight testing, a conservative estimate is that subsequent costs for certification by the FAA, tooling up and accumulating inventories will require some \$3.3 billion additional funds—*Fortune*, February 1967, page 14.

Admittedly, the Government is not committed after the end of the prototype phase, which includes 100 hours of flight testing. Moreover, the estimated \$40 million price tag per plane will include a \$4.5 million royalty for the Government which is supposed to reimburse the taxpayers' investment. The royalty collected for planes sold after the first 300 is supposed to constitute interest. If 500 planes are sold by 1990, the Government would receive 4 percent interest; Boeing and General Electric, would, on the same number of planes, garner a 12.1- and 11.2-percent return respectively—hearings, page 310—even though the Government contributed at least 90 percent of the risk capital up through phase 3.

Despite claims to the contrary, it is not clear that private enterprise will be willing or able to carry the financial burden between the termination of the prototype phase and full-scale production. It has been alleged that "the two

prime contractors seem confident that the Government will continue to foot most of the bill"—*New York Times*, editorial, May 2, 1967—for the necessary additional \$3 million or more. General Maxwell admitted that:

It remains to be seen whether that (private enterprise can shoulder the burden following phase three) . . . is feasible" (hearings p. 289).

He stated that current projections, based on studies conducted by the FAA, showed a gap of \$1 billion between what would be needed and what Boeing and General Electric could invest—including advancements on orders by airlines.

The Economic Feasibility Report, of April 1967 on the SST, issued by the FFA states that:

Current projections . . . are that the engine manufacturer will have the capacity to generate the necessary financing required. (emphasis added).

But a reasonable approach suggests that any program decisions consider the possibility that the Government may be required to act as guarantor of or to provide any additional funds needed by the airframe manufacturer (emphasis added) (p. ix-3).

General Maxwell felt that:

It is not appropriate to make a decision at this time as to how certification and production phases are to be financed. (Hearings p. 291.)

Without questioning the validity of the above estimates, it is not to be overlooked that the costs of the F-111, originally estimated to be \$3 million, have risen to nearly \$10 million—hearings, page 304.

Mr. Chairman, the SST is touted as providing air transportation three times faster than existing subsonic planes, 2½ hours from New York to Paris instead of 7 hours; assurance of our continuing superiority over the British-French consortium building the Concorde, and the Russians who are building the TU-144; 50,000 direct jobs—hearings, page 294—and a favorable effect on our balance of payments. Moreover, as Senator MAGNUSON stated:

It is a question, of course, of whether we want to have what we call American superiority in the air. That is what most of (sic) it is about, and whether we can compete with the British and the French. CONGRESSIONAL RECORD, vol. 112, pt. 14, p. 18692.

I am sure that supersonic aircraft are inevitable. But there are, I think, serious questions which must be answered before we plunge into a program which may cost the taxpayer \$4 to \$5 billion, if not more; a program, the economic feasibility of which is questionable; a program involving many unanswered technical questions; a program which, in light of our pressing needs to improve intra- and intercity surface transportation—not to mention the huge social needs requiring immediate attention—could well be relegated to a lower priority.

I emphasize that the issue before us today is not whether to continue much needed research as to the effect of cosmic rays, atmospheric conditions, and temperatures encountered at 70,000 feet. The issue is not whether to continue and intensify studies of the effects of sonic booms. The question is whether, in view of numerous unanswered technical ques-

tions and other priorities we should commit, at the very minimum, \$1.2 billion of resources to the building of the prototypes.

One of the most important, but as yet unanswered, questions concerns the degree of intensity of the sonic boom produced by such a craft. In projecting 500 sales by 1990, the FAA assumes that the SST will be limited to transoceanic flights because of the uncertainty as to the boom it may produce and the reaction and effects both physical and psychological on humans, animals, fish, and fowl. Yet of the original \$198 million requested by the Administration only \$6.9 million will be used for sonic boom and economic analysis—hearings, page 323.

General Maxwell stated:

Due to the lack of criteria, we cannot be sure whether this design will be permitted to fly supersonically over populated areas. (Hearings, page 292.)

He admitted that:

An airplane can have many sonic boom characteristics. One airplane can create a very severe boom and it can also create one that may be completely acceptable. (Hearings, page 315).

General McKee stated:

I do not think that you will know (whether the plane can be operated over land) until you build this airplane and fly it. (Hearings, page 318.)

Secretary Alan S. Boyd conceded that populations may not be willing to accept this sonic boom:

We do believe and have evidence to support our contention that over water supersonic condition operations are practical and acceptable. (Hearings, page 940.)

But what are the effects of sonic booms upon ships and their passengers as well as marine life? And what may be the potential disruption of patterns of schools of fish vital to the fishing industry?

Few meaningful tests related to booms and their effect have been conducted. Those conducted over Oklahoma City, during daylight only, resulted in some 15,000 complaints and nearly 5,000 formal damage complaints, despite the fact that the aircraft industry and the FAA are the area's largest employer—*New York Times*, February 9, 1967.

There are indications from more recent tests, conducted at Edwards Air Force Base, that the effect of the boom of an SST cruising at 65,000 will be equivalent to living 1,000 feet from the end of a runway at Kennedy International Airport. The results of these tests are not, however, to be released by the Pentagon until August—*Washington Post*, June 11, 1967, page 2.

Notwithstanding the fact that during maneuvers the resulting boom will be more intense, various estimates indicate that the SST will produce a boom carpet on the ground between 40 to 100 miles wide, the intensity of which depends upon size, shape of the plane, atmospheric conditions and the like. In a single transcontinental flight, White House science adviser, Donald F. Hornig estimates that everyone in a 100,000-square-mile area, embracing perhaps 10 million

people would be subject to the boom—Washington Post, June 11, 1967.

In other terms, 15 round-trip flights between New York and Los Angeles per day will result in 100,000 million boom exposures per year—The Observer, June 5, 1966.

Absent information as to the extent of potential damage caused by booms, it is impossible to estimate costs for compensation. Since 1956, however, some 34,000 claims for damage resulting from booms have been filed against the U.S. Air Force for an amount of over \$19 million of which over 12,000 have been approved at a cost of some \$1.2 million—hearings, page 313. The U.S. Department of the Interior has reported varying degrees of damage to prehistoric cliff dwellings at Mesa Verde National Park due to booms—Nation, May 29, 1967.

In short, as observed by Dr. Raymond L. Bisplinghoff, a former NASA official, and a leading aeronautical engineer, "sonic boom presents a new dimension with which we have had no experience in commercial aviation. Although we have a clear understanding of the vehicle variables that govern the sonic boom and are thus able to predict the sonic boom created by a given vehicle, we are only beginning to understand in detail the effects of atmospheric variations and ground topography on the intensity of the pressure wave that sweeps over the ground"—CONGRESSIONAL RECORD, volume 112, part 14, page 18688.

The effects of sonic booms, and the restrictions thereon, in relation to the potential sales of the SST is a subject of much controversy. The FAA bases its estimate of 500 sales by 1990 on the assumption that the SST will be restricted to transoceanic flights—hearings, pages 293-294.

According to Senator PROXMIER, Switzerland, Sweden, and West Germany have declared they would prohibit supersonic flights over their territory if sonic booms were disturbing—CONGRESSIONAL RECORD, May 31, 1967. And in a letter to the House Commerce Committee, Najeeb E. Halaby, then FAA Administrator, in 1964 stated:

The loss of market potential due to such restrictions would probably be so severe as to make commercial production of the SST economically unfeasible. (New York Times, Feb. 9, 1967) (hearings, p. 1023).

The FAA admits, in its "U.S. Supersonic Transport Economic Feasibility Report of April 1967," page I-8:

If the SST cannot operate over populated areas because of boom restrictions, the no. of revenue passenger miles (RPM) that can be generated will be reduced considerably.

The Institute for Defense Analysis—page vii—gets more specific in its study done for FAA when it says:

Some routes that are mainly over land are considered infeasible because the amount of supersonic flight possible is so small that little time can be saved over normal subsonic aircraft service, and the supersonic aircraft costs are much higher.

In a table illustrating the amount of "penalty"—necessary circuitous rerouting and extra expense—that is incurred under various flight conditions due to

sonic boom restrictions, IDA indicates that 79 percent of all domestic flight, including territorial flight, will involve a prohibitive penalty; 32 percent of international flight will have a prohibitive penalty. The free world total will have 59 percent of the RPM's at a prohibitive penalty, which means that nearly 60 percent of all proposed supersonic flight may be economically infeasible if sonic boom restrictions are imposed.

The technical journal, Scientist, and Citizen, in its April 1966 issue, cites another aspect of this problem of limited use of the SST in the following manner:

Because of the very high operating costs, the SST market is obviously limited to the first class traveller who, at present, accounts for 8% of the transatlantic traffic or 230,000 yearly passenger trips on all transatlantic airlines combined. A single U.S. SST could offer 180,000 yearly passenger trips. If the British and French were to operate one Concorde and TWA and Pan American one U.S. SST each, they could produce 540,000 seats per year, or two and a half times the present first class traffic volume.

The \$30 million price per SST aircraft is based on production of a large number of these craft. Who will use them or who will bear the tremendous financial losses if they remain underused as appears most likely according to the preceding data?

FAA insists that 500 SST's will be sold even in the face of sonic boom restrictions and 1,200 if sonic boom restrictions are not imposed. Who indeed will use that many planes? Will these planes be purchased if only a few passengers will elect their use? This raises another issue which troubles many experts who predict that fares on subsonic travel will be artificially inflated in order to make supersonic travel an economic competitor—even when the need for circuitous routing will in itself greatly add to the time in flight and will reduce the stated advantage of speed further through the necessity of extra 1½ hour stopovers for additional fueling. FAA insists that the current estimate of \$40 million per SST allows them to reach the mathematical conclusion that enough planes will be sold to recoup the Government's expenditure even in the face of FAA's own comment—page II-2—in their report:

The large number of variables and areas of uncertainty at this time should be noted. Despite military experience with high-speed, high-performance aircraft, the development and production costs and thus the price of a commercial SST are major uncertainties.

The independent study by the Institute for Defense Analysis for the FAA indicates that, given certain assumptions as to fare structure, the total demand for the SST by 1990, absent boom restrictions, will be 661 planes. If boom restrictions are imposed, the demand will be only 279 planes, assuming a selling price of \$40 million. If the price rises to \$50 million, the demand is reduced to 422 and 155 planes respectively—IDA, "Demand Analysis for Air Travel by Supersonic Transport," volume I, page 56.

Not only is there a paucity of information about sonic booms and their effects on the environment and the consequent effect upon potential use of the SST, but there is much to be learned about flying supersonic speeds at the

proposed altitudes. Parenthetically, the SST can fly at subsonic speeds, but it becomes extremely inefficient resulting in rising costs.

Secretary Boyd testified that U.S. aircraft have flown at supersonic speeds since 1947, and that the U.S. had hundreds of thousands of hours of supersonic flight time—hearings, page 939. One must, however, ask what types of planes under what conditions, and the length of the time of sustained supersonic flight.

In reference to knowledge about flight at 70,000 feet, General Maxwell admitted that:

It is a hostile environment which so far has been penetrated by only a limited number of Air Force and NASA aircraft. (Hearings, p. 346.)

If pressure inside the plane falls at that altitude, one's blood would boil—hearings, page 347.

According to Dr. Bisplinghoff, the longevity of engines and airframes which is a function of heat, change in temperature, metal fatigue, et cetera, is as yet unknown. At mach 2.7 the lead edge heat reaches 500° F. Unlike military craft, a commercial plane must, if it is to be profitable, provide relatively trouble-free service over a sustained period—CONGRESSIONAL RECORD, volume 112, part 14, page 18687.

Air Force Col. Joseph Cotton, chief test pilot of the XB-70, found that clear air turbulence exists even at 70,000 feet. That is, during XB-70 tests, rough air was encountered where "weather" was supposedly nonexistent. Moreover, according to Cotton, there is no way to predict or locate such turbulence, and that flying through rough air at speeds faster than sound is like "driving a Greyhound bus at 200 miles an hour down a bumpy country road"—Washington Evening Star, February 7, 1967.

In regard to the amount of flight time at supersonic speeds, General Maxwell testified that the U-2 which has been flying for about 10 years had not flown at supersonic speeds—hearings 346. The YF-12 and SR-71 are designed for and operated at supersonic speeds; but the XB-70 has, according to General Maxwell, been flown only 1 hour at mach 3—hearings, pages 300-301. The former two planes are, however, not comparable to the proposed SST because they are small fighter and reconnaissance planes measuring about 100 feet long, and presumably much lighter. The SST will be over 300 feet long, weighing some 300 tons compared, to the 185-foot long XB-70 weighing 270 tons—Washington Evening Star, February 7, 1967, page A3.

There is, it appears, much to be learned. It is questionable whether we should proceed with the prototypes before acquiring more knowledge. That phase three is put on the shelf for a time does not preclude research. The military as well as other governmental agencies are conducting tests and experiments which may permit building a more effective, economical commercial craft. It was, after all, not until the KC-135 tanker had been tested by millions of miles of actual use by the Air Force that the 707 commercial jet was de-

veloped—Harpers, July 1966, page 83. General Maxwell testified that this had "contributed a lot toward the development of the commercial 707. Yes, sir"—hearings, page 232.

If we are interested in economical air transportation, then why the rush to build the SST. Not only will the Concorde be in service about 3 years before the SST; but Boeing is building the so-called jumbo jet, the 747, which can accommodate up to 500 passengers, compared to the SST's capacity of 300 and the Concorde's capacity of 136.

No one, including the FAA, denies that the 747, a subsonic jet, will be less expensive per passenger seat mile than the SST. Dr. Bisplinghoff said that the SST will yield about a 20-percent lower return on investment than the 747—*Aviation Daily*, May 10, 1967, page 67. It is estimated that the 747 will cost about \$20 million, as will the Concorde, compared to an estimated \$40 million cost for the SST—the *Economist*, January 14, 1967, page 141.

One estimate of operating costs per offered seat mile for transatlantic flight based on about 12 hours daily aircraft use puts the SST at 2.6 cents; Concorde at 3.3 cents; compared to current U.S. jets at 1.4 cents and the proposed C-5A, developed by the Lockheed for the Air Force, the commercial model of which will run one-half cent—*Scientist and the Citizen*, 8, No. 6, April 1966, page 10.

Allen H. Skaggs, chief, economic staff of the Office of Supersonic Transport Development, testified that with the advent of the "air bus" 747-type transports by 1980 subsonic fares would be reduced by 24 percent; but SST fares would remain between 20 to 24 percent higher—hearings, page 332. And Gen. William F. McKee, Administrator of the FAA, stated that the FAA study on the cost per seat mile was 2.11 cents for the SST; 2.03 cents for the 747; and 2.25 cents for the 707. These were total operating costs per seat mile; SST costs were based on a 4,000 mile operating range. As the range is reduced, the costs rise—hearings, page 349.

The operating costs for the SST are the result of the high speed, large engines needed to overcome the resulting friction, extra safety and electronic features needed to travel at such high speeds and altitudes.

Another study, assuming the 747 carrying only 370 passengers, and the SST with 300, estimates the total operating costs per day for the 747 at \$48,500; for the SST, \$68,000. Not only is the net revenue per day greater by \$4,500 for the 747, the post-tax return on investment for the 747 is 33 percent compared to 15.5 percent for the SST. This study, assuming that the SST would cost \$36,000,000, indicated that, if the SST price rises much above \$36 million, the planes earning power would decline rapidly—*Fortune*, February 1957, page 114. The seat-mile operating costs of the SST, about 2.5 cents, will be 10 percent higher than those of the 747 and the latter will go into service at least 3 years before the SST. But it remains unknown what proportion of passengers will choose speed over economy—*Fortune*, February

1967, page 227. General McKee asserted that the SST will be in demand by most of the current business travelers—that is, those who can charge off the higher price of SST fares to business costs—and some of the current vacationers—hearings, page 229.

It is obvious that passenger demand is a function of fare structures which in turn are subject to a multitude of pressures besides operating costs:

The Civil Aeronautics Board which fixes domestic fares will be under Administration pressure to keep SST fares as low as possible to help make the plane successful and thus justify the government investment. (*Fortune* February, 1967, 1967, p. 116).

In effect it may be almost impossible to determine whether the fares charged, and, therefore the utilization of a plane which determines profit, reflects real costs.

The FAA argues that between 1975 and 1990 our balance of payments would increase in our favor by \$17 billion based on an estimated sale of only 500 planes: \$32 billion if 1,200 planes were sold. The estimate, however, included only the aircraft and spare parts sold—"U.S. Supersonic Transport Economic Feasibility Report April 1967," page vii-2. The IDA study, including funds spent by American travelers as well as planes and parts sold, estimates that the balance-of-payments contribution of an SST appears smaller than the FAA estimate and under certain conditions, the SST may create a negative balance of payments vis-a-vis the United States—IDA, report, volume I, page xx.

I would point out that the administration of the SST construction program by the same agency which is to certify its airworthiness and safety for commercial use raises a question of conflict of interest. In fact, Secretary Boyd testified during hearings for his nomination:

As I responded to the Chairman, I felt that the supersonic transport activities now lodged in the FAA would have to be moved out of the FAA because of the certification problems, which are also carried out by the FAA. (Nomination of Alan S. Boyd to be Secretary of Transportation, Hearings before the Committee on Commerce, United States Senate, 90th Cong. 1st Sess., p. 21.)

In summary, Mr. Chairman, there are many unanswered questions concerning the SST. The argument that it might create a favorable balance of trade or that it will create 50,000 new jobs, or that it will cut flight time in half are not in themselves enough to warrant the Congress to commit the resources needed to build prototypes until we have more information.

As far as air superiority is concerned, we have and will continue to maintain our relative position. Daily the Air Force among other governmental and private agencies are researching and gathering needed information; information which I suggest will be relevant to any supersonic transport. History has repeatedly shown that the first model of a product is not necessarily the best. Time and experience indicate needed improvements. Will we not gain rather than lose if the Concorde is the first in the air—

gain by learning from the mistakes that undoubtedly will be made in its construction.

I suggest also, that we look to priorities—priorities which have less to do with pseudo-national prestige, priorities which concern not only an effective transportation system but other aspects of our society.

Whether a plane, the operating costs of which are higher than other planes is of a higher priority than a more efficient intra- and inter-city transportation is open to question. The same can be said in determining the allocation of resources between transportation and other social needs. How many of the underlying causes of the recent Newark riots will be mitigated by this proposed investment?

The urgent needs of our society are not being met by this Congress. That is where our primary emphasis should be placed.

Mr. TAFT. Mr. Chairman, I am happy to say a few words in support of the SST aircraft as being in the best interests of all of the people of the United States. A number of times here on the floor, I have heard it said by opponents of the SST program that not more than 5 percent of our people will in any way benefit from such a program. This is akin to saying that only those who use airplanes in the United States have been benefited by the U.S. aircraft industry. This is completely belied by the tremendous number of employees of the industry, its key position in our national industrial picture, the enormous favorable balance of trade which it has created, not to mention the prestige and leadership that it has given our Nation throughout the world.

As with the general growth of the aviation industry, the SST will benefit all Americans; and, on that basis, it is justified as a priority expenditure on a reasonable basis even at this time of financial crisis. To turn away from the program which has been so carefully developed and moved ahead with private participation would indeed be a tragedy and a setback for our country. Frequently, I have heard our Foreign Service officers and private representatives overseas testify to the fact that there is no single influence and presence more important to American interests than the presence of U.S. planes, service facilities, and personnel in the farflung corners of the globe. This program merits our support.

Mr. FARBERSTEIN. Mr. Chairman, I want to express my support for the Department of Transportation appropriation bill before us today. I would also like to offer my sincere commendations to the Transportation Subcommittee chaired by the distinguished Representative from Massachusetts, the Honorable EDWARD P. BOLAND.

Being from the east coast, I know only too well the pathological state in which our railroads currently find themselves. As megalopolis replaces metropolis, our urban mass transit systems are fast becoming inadequate and obsolete. Also, the increased volume of air traffic is fast rendering our airports incapable of

carrying their heavy load. All these problems are very complex and of great moment. The cohesive coordination of our transportation facilities and the well-focused attempts to relieve the difficulties we face is a highly important job. The Department of Transportation has done well in working towards this, during its first year of operation.

Safety and efficiency in the operation of our mass transport network are criteria that transcend dollar outlays. This coupled with the reasonable nature of the request and the coherent and responsible manner of presentation, lead me to lend my support to this bill.

The CHAIRMAN. The gentleman's time has expired. All time has expired. The Clerk will read.

The Clerk read as follows:

TRANSPORTATION RESEARCH

For necessary expenses for conducting transportation research activities, including the collection of national transportation statistics, \$5,950,000, to remain available until expended.

Mr. ICHORD. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The gentleman from Missouri is recognized for 5 minutes.

Mr. ICHORD. Mr. Chairman, I rise for the purpose of asking the distinguished gentleman from Massachusetts about what the FAA proposes to do with Washington National Airport, and I hope the distinguished gentleman from Maryland and the distinguished gentleman from Virginia are still on the floor of the House, because what I have to say before I put the question will be of interest to them.

Mr. Chairman, I have no objections to the local Congressmen and Senators issuing statements about moving airlines and business out of National Airport to Dulles Airport as long as the national interest is served, but in this matter I do not see where the national interest is involved and certainly their objectives are not amenable to the interests of most of the Members of this body.

I hope that the gentlemen do not seek to inconvenience the thousands of people each month who fly into Washington airport from such intermediate points as St. Louis, Chicago, and many other cities of comparable distances. At the present time we can fly into Washington National from St. Louis in an hour and 15 minutes. If we were compelled to fly into Dulles all the time saved by improved jet travel would be lost as the time of motor travel from Dulles to Washington is almost as long as the flight. Most of us—would prefer to regress to prop planes flying into National rather than fly jets into Dulles.

Personally I have not yet concluded whether the Dulles Airport is 25 years ahead of the times or 25 years behind the times. Because of its great distance from Washington, its future can only lie in its use as an international airport. Dulles may be suited for coast-to-coast flights but it is definitely not desirable for intermediate flights. I know the Federal Government has attempted to compel the airlines to use the field but the truth of the matter is that Dulles, other than its use for international flights,

would only be used as a practice airport for beginning pilots if it were not for the element of compulsion.

As far as voluntary use for national purposes, Dulles constitutes nothing but a \$110 million boondoggle. If the Government must insist on making use of its \$110 million investment so prematurely spent, we should explore the possibility of routing more international traffic out of Dulles. Apparently it would be compatible to use by the SST.

Mr. Chairman, the question I wish to ask is this: I attended a meeting some time ago with the Director of the Federal Aviation Agency, and, at that time, he proposed to move general aviation from Washington National Airport to the Anacostia-Bolling facilities, and then the Chairman of the Armed Services Committee introduced an amendment to the military authorization bill, which tied up the Bolling-Anacostia facilities for the use of the military until December 31, 1970, except that it could be used in the interim as a general aviation facility.

Mr. RIVERS, chairman of the House Armed Services Committee, complied with his request. The amendment was adopted by the committee and the Congress subsequently enacted the provision into law. Many months have since elapsed but nothing has been done by FAA. What happened? This would be a great step forward in solving the congestion problems of Washington National.

I believe it is high time that somebody in the Congress and somebody in the Executive face up to the problem we have at National Airport and provide us with more responsible action and less procrastination.

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

Mr. ICHORD. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, as the gentleman knows, the problem has been one that has been perplexing the FAA for some time. Evidence adduced at our hearings indicate there are no plans of the FAA to utilize Anacostia for general aviation.

Mr. ICHORD. Then has the FAA changed its mind, because I do know the Director of FAA came to the chairman of the Armed Services Committee and requested that this authority be granted, and to this day I have not heard a thing about steps being taken to accomplish this desirable objective. Who stopped the Director and why? This is the answer I would like to have.

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

Mr. ICHORD. I yield to the gentleman from North Carolina.

Mr. JONAS. Mr. Chairman, I understand that the Department of Defense is getting ready to build a "Little Pentagon" at Bolling. I do not believe this place will ever be usable again for aviation.

Mr. RIVERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time in order to yield to the gentleman as much time as I do not use.

I will say in response to the question about the Anacostia facilities, I was sitting in my office one day and I heard from General McKee, head of the FAA. He said he wanted to see me. I was in my own office, minding my own business—get this into mind to start with—and he said, "Look, will you help me avoid a terrible accident over at National Airport?"

I said, "Well, I think safety is everybody's business. If you have that problem, how can I help you?"

He said, "I want to use Anacostia." I said, "What do you want to use it for?" He said, "I want to put some of this general aviation over there."

This is the first I heard about it. It did not come out of my head. I do not care what the Washington papers say. I said to him, "Go to see Mr. Blandford, my chief counsel, and if we can work out an arrangement to let Mr. McNamara make some kind of agreement with you for use of Anacostia, we will go along with that."

We wrote an amendment to the military public works bill, interposing no objection to Mr. McNamara or the DOD entering into an agreement with the FAA for the use of Anacostia for general aviation. Subsequently every Washington paper lit on me like a mockingbird on a June bug, and nobody raised a voice in defense of the Committee on Armed Services.

This was not hatched in the Committee on Armed Services. We wanted to help. Since somebody around Washington wants this ground, to give it away for some highfaluting housing development, nobody came to our defense. This land is not going to be used for any development so long as I am in Congress and the Members will listen to me.

The FAA has not made any effort to use this base.

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

Mr. RIVERS. I yield to the gentleman from Missouri.

Mr. ICHORD. Is it not true, in answer to the question in the statement of the gentleman from North Carolina, that there is no authorized military complex which would interfere with the operation of Anacostia as a general aviation airport?

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

Mr. RIVERS. I yield to the gentleman from North Carolina.

Mr. JONAS. Answering that question, we have just heard justifications in the Military Construction Subcommittee about the little Pentagon they plan to build over there, with a complete complex of all supporting activities. My information is that it would completely destroy the opportunity to use that area for general aviation.

Mr. RIVERS. It would not. They are as afraid of that Anacostia piece of property as of a rattlesnake. They are already committed to give it away.

They can use Anacostia for general aviation, and it would disturb no one.

Mr. JONAS. I would say, in conclusion, they have a blueprint, and they have drawings to cover the entire property.

Mr. RIVERS. They will not.

Mr. JONAS. If your committee gives them the authorization and ours the money, they will.

Mr. RIVERS. I have seen the master plan.

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

Mr. RIVERS. I yield to the gentleman from Missouri.

Mr. ICHORD. I state to the gentleman from North Carolina, that may very well be in the future. Of course, it will be up to the Congress to authorize the building of such a complex.

In the meantime, if the gentleman will permit me to finish, we can relieve the congestion at National Airport by moving general aviation out of National Airport. Then in the meantime we can build a general aviation facility, and if it is built and constructed, then we could move the general aviation out of Anacostia, in the event that this military complex the gentleman talks about is authorized and constructed at Anacostia.

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

Mr. RIVERS. I yield to the gentleman from North Carolina.

Mr. JONAS. I wonder if perhaps the distinguished gentleman from South Carolina could relieve us of a real problem in the Military Construction Subcommittee, if this were not authorized.

Mr. RIVERS. We are going to authorize it. It is not going to interfere. Furthermore, it will be for only 2 years. They can use this during the interim period of time.

We need this land for the things I am talking about. We certainly ought to use it in the interim for general aviation, and then for what it should be, for military requirements.

We could put the DIA over there.

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

Mr. RIVERS. I yield to the gentleman from New York.

Mr. WOLFF. I believe the talk now on the question of Anacostia or National is somewhat specious, in view of the fact that complicating the problem is the question of noise abatement procedures for takeoff and landing and the safety factors involved. I talked with the Airline Pilots Association today. They say they are forced to operate under minimum standards that in some instances are unsafe and jeopardize the lives of both passengers and residents of the Washington area. In takeoff procedures they have to operate under 60 percent of power in the event of the loss of one engine on a two engine jet. There is a serious question of whether sufficient reserve power is available to avoid a crash.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

(By unanimous consent, Mr. RIVERS was allowed to proceed for 4 additional minutes.)

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

Mr. RIVERS. I yield to the gentleman. It is a question of saturation of the air, too.

Mr. WOLFF. That is correct.

Mr. RIVERS. No airplane is any better

than the time it takes to land. Whenever there is a private aircraft utilizing the space over National Airport, it could be at Anacostia, because they are both compatible. This is what the FAA told me. But, since this appeared, General McKee has not opened his mouth, and you know why. He was told to keep quiet. We have got this land and they know that we do not object to their using this thing until 1970, until the necessary things can transpire about which the distinguished gentleman from Missouri has been talking and who has a great deal of knowledge on this subject.

Mr. Chairman, this man, the gentleman from Missouri [Mr. ICHORD], has spent hours and hours and days and weeks and months on this subject, and he is of the opinion that we should use it.

Now, in the meantime, certainly the gentleman from North Carolina [Mr. JONAS] knows that we have a master plan now; and that with reference to that additional land over there, that we are going to authorize its use, because it is needed.

Mr. Chairman, there will not be any question about that. The only question which will remain will be in the minds of the people downtown. They are confused in mind, body, and estate. That is the only question involved.

What we need to do is to get moving and to relieve this congestion and at the same time use this land which we own in fee simple.

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

Mr. RIVERS. I am glad to yield to the gentleman from Ohio.

Mr. MINSHALL. Mr. Chairman, I am glad that the distinguished chairman of the Committee on Armed Services, the gentleman from South Carolina [Mr. RIVERS], brought up the discussion about the use of Anacostia and/or Bolling Field, because I would like to refer the gentleman to page 132 of our hearings in which I asked General McKee about using Anacostia and/or Bolling. With reference to the Bolling part General McKee said:

The Bolling part of it is out completely.

Mr. MINSHALL. I said Bolling and/or Anacostia.

General McKee. Anacostia still has a strip of 5,000 feet, and obviously that could be used on an interim basis for light airplanes.

Mr. RIVERS. That is precisely what I said.

Mr. MINSHALL. Then my next question was:

Why have not some steps been taken to use it for light aircraft?

General McKee. Can I go off the record?

Mr. MINSHALL. Yes.

Then, Mr. Chairman, we went off the record and that is the part to which has been alluded wherein General McKee got his instructions from Pennsylvania Avenue.

Mr. RIVERS. Of course, he did. I know it. He has been as quiet as a tomb since that time. He was told to keep quiet, and he understands that.

Mr. MINSHALL. I would like to point out that one-third of the aircraft, as the gentleman from Missouri [Mr. ICHORD] stated, coming into Washington National

is general aviation—light aircraft that could be used at Anacostia today and relieve much of the congestion which exists today.

I asked the Deputy Administrator of the FAA if there was any safety hazard involved and he responded to the effect, "Absolutely not."

Mr. ICHORD. That is exactly what General McKee said in the conference which I had with him about the general use of Anacostia.

So, the statement of the gentleman from New York is absolutely baseless.

Mr. Chairman, I looked into this matter several years ago when the gentleman from Mississippi [Mr. WILLIAMS] brought it to my attention, and it can be used without any safety hazard.

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

Mr. RIVERS. I yield to the gentleman from North Carolina.

Mr. JONAS. I think I should say that this may account for some apparent differences of opinion which exist among us. I do not believe there really is, because I would like to see some plane diversion from National to the area we are discussing but—

Mr. RIVERS. That is right.

Mr. JONAS. I believe the Department of Defense has plans to utilize all of Bolling.

Mr. RIVERS. That is absolutely right.

Mr. SCOTT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was not on the floor of the House when the gentleman from Missouri [Mr. ICHORD] took the floor a few moments ago. However, I understand the gentleman stated he hoped that the gentleman from Maryland and myself were here, but I did hear a portion of his remarks with respect to the congestion at the National Airport.

Certainly, Mr. Chairman, I agree with everything that I heard the gentleman say. The National Airport is not located in my congressional district, but it is located nearby, and a number of my constituents have written to me about the planes using the National Airport, with reference to the noise of these planes in residential neighborhoods. They are concerned about the congestion and the potential danger which is involved in the use of this facility in the present manner.

Now, Mr. Chairman, I do not wish to get into a controversy with reference to the use of the field located across the river as an alternative.

But I do say, Mr. Chairman, that according to a recent editorial in the Washington Post, commercial airlines have increased, and will increase 50 percent from 1966 to 1971. And three times from 1961 to 1971. These are estimates.

However, there is going to be a need for an additional place to land, and for facilities for air transportation. National Airport cannot provide this. I believe we would agree that the National Airport is overtaxed at this time. The place I say these additional planes should go is the Dulles International Airport.

I heard the distinguished gentleman from South Carolina say something to the effect that you might as well be on

the ground and utilizing your time as to be stacked up over an airfield, and you do stack up over the National Airport. I am not aware, however, of any such congestion at the Dulles International Airport.

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

Mr. SCOTT. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I can sympathize with the gentleman in his statement of the need to use an airport in which this Government has invested \$110 million prior to the time that both the gentleman and I came to the Congress.

Mr. SCOTT. Mr. Chairman, let me say to the gentleman I do not believe I need any sympathy on that. I believe we have a facility at Dulles International Airport that can speak for itself. It is a very fine facility.

Mr. ICHORD. I hope the gentleman, however, will not work to compel me to fly into Dulles, where it will take me as much time to get from Dulles International Airport to the Capitol as it took to fly me from St. Louis to Washington, D.C.

It is just like the gentleman from Iowa [Mr. SMITH] was stating in the cloakroom a while ago to the effect that he has to allow more time to get to Dulles, an hour and 20 minutes, than it takes to fly him to Chicago. So certainly the gentleman should take into consideration the interests of the other Members of the House.

Mr. SCOTT. Mr. Chairman, I am interested in every Member of the Congress, but surely the gentleman jests when he talks about an hour and 20 minutes.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GUDE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I believe the debate here is very appropriate to the Department of Transportation, because this Department was formed to coordinate and utilize the various systems of transportation which we have in this country, not to build a new bureaucracy, but to more efficiently use what we have as well as to develop new forms. The utilization of existing facilities is exactly what we are talking about when we refer to Dulles International Airport.

All of the American people helped to pay for the Dulles International Airport, and I believe that the Department of Transportation has the obligation to see that it is utilized to the fullest extent possible. Some of the things that have been looked into as possibilities of better utilizing Dulles are a system of rapid transit, and a system utilizing helicopters. We need to build its usage to the full extent possible and thereby reduce the competition between airports and reduce the plane noise which comes from planes using National.

I believe the gentleman from Missouri was much concerned about his safety in coming into the National Airport. That is why we are concerned about relieving the congestion as well as doing away with the airplane noise.

Mr. ROGERS of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there is one point of this Department of Transportation appropriation bill which causes me particular concern. That is the proposed elimination of an oceanographic vessel for the Coast Guard.

The Coast Guard, with its continuing history of work in the field of oceanography dating back more than 100 years, proposed and received approval of the Bureau of the Budget for the construction of this oceanographic ship.

Faced with the decision of asking for two cutters or one cutter and the oceanographic ship, the Coast Guard itself determined to keep the oceanographic vessel in its budget. For this ship will not be used for research to the exclusion of Coast Guard and military programs. To the contrary, the scientific information gathered will aid the Coast Guard, the Navy and our Government in every phase from education to national defense.

I would also like to make the point that when the President's Council on Marine Science set up a list of priorities, the construction of oceanographic vessels was among the top 10.

And I would make the point that this vessel can serve all purposes of the regular Coast Guard cutter save that it will not be ASW equipped. It is, in fact, scheduled to replace the Coast Guard cutter *Evergreen* and is less expensive by \$2.5 million than a cutter.

Mr. Chairman, it will take 3 years to build this ship. If we postpone the start of its construction, it will mean that we have failed to realize the importance of greater knowledge of oceanography to the United States at the very time when action is most necessary.

We have spent billions on our space program. We have spent a half billion dollars on phases one and two of the program to help airlines go supersonic. And in the bill this year there is a request for another \$142 million for this program.

Yet we see cuts in the ocean-related budgets where the Nation could and will reap benefits. Programs which will lead us to gathering food from the sea. Programs which will insure the safety of all ships at sea. Programs which already have brought in millions of dollars to our economy through the mining of minerals from the sea. And, of course, the Navy is using the information we have gathered for the extension of underwater defense systems for the protection of the Nation.

We now see that the two oceanographic vessels which we do have, the *Oceanographer* and the *Discoverer*, will have their operations curtailed next year because of budget difficulties. Instead of operating 8 months as planned, each will be limited to 6 months.

Construction of an oceanographic vessel for the use of the Coast Guard will doubly serve the Nation. It will carry on the duties required of it as a Coast Guard vessel and at the same time gather information valuable to the service and to the men of science.

Aside from my own opinion in the matter—that we indeed need to expand

our knowledge of the seas through oceanographic survey vessels—I respect the decision made by the Coast Guard in this matter. I do not think that the Coast Guard would sacrifice a cutter if it did not feel that the services rendered by the oceanographic vessel would not be of a major nature.

Mr. Chairman, we cannot continue to neglect the needs of oceanographic work as we have done for so many years. We cannot deny it, for if we do, we are denying ourselves the many benefits which we as a nation will receive.

Russian certainly is not neglecting oceanography. In February she had contracted for at least nine information-gathering research weather ships in the 2,500-ton category. If we do not act, the gap between us and the Russians will widen even greater.

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

The Clerk will read.

The Clerk read as follows:

TITLE III—FEDERAL AVIATION ADMINISTRATION OPERATIONS

For necessary expenses of the Federal Aviation Administration, not otherwise provided for, including administrative expenses for research and development and for establishment of air navigation facilities, and carrying out the provisions of the Federal Airport Act; and purchase and repair of skis and snowshoes; \$593,326,000: *Provided*, That there may be credited to this appropriation, funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the maintenance and operation of air navigation facilities.

Mr. RANDALL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, out in the corridor a little while ago I overheard some reporters referring to this week as the week of the three R's. I asked, "Do you mean reading, writing and arithmetic?" They replied, "No, we mean railroads, riots, and rat extermination."

Now, Mr. Chairman, I want to add another "R" to this series and to inquire of the chairman of the subcommittee, the gentleman from Massachusetts about what is called VOR—meaning very high frequency omni range.

During deliberations and in the work-up of appropriations for the Federal Aviation Agency under title III of this bill do you recall any reduction of VOR funds? The reason I ask is that it seems three VOR's are being eliminated in west central Missouri.

If I may have the attention of the gentleman from Missouri [Mr. ICHORD], who was in the well of the House a minute ago, I will state it is my understanding he has experienced the same problem in suffering some eliminations of VOR's in his congressional district.

The Federal Aviation Agency tells me there will be some reductions or elimination of these VOR's all over the country. The particular VOR's I have reference to have been in operation for many years. They are located at Blackwater, Mo., and near Marshall, Mo. We had a discussion on the floor a moment ago concerning some of the problems of general aviation. Let us not forget these VOR's

are most important to general aviation. One question which arises is whether or not there has been any change of emphasis by the FAA—to favor only the large airlines or scheduled airlines to the neglect of and forgetting about general aviation.

Do you know of any contemplated reductions in the number of VOR's?

Mr. BOLAND. To my knowledge there is no reduction of funds for the VOR's in this particular program.

I would like the gentleman from Ohio [Mr. MINSHALL], if I may have his attention, to answer the question which is whether or not he is aware of any reductions for the VOR system in this budget? I am not aware of any.

Mr. MINSHALL. I was not aware of any reduction of the VOR in this budget. I was not aware that they were reducing any of them until the gentleman from Missouri [Mr. ICHORD] came to me before the session started and showed me the three stations that had been taken out of his area in Missouri.

Mr. ICHORD. Mr. Chairman, if the gentleman will yield, there are four in Missouri of which I am aware that are being discontinued. I would state to the distinguished gentleman from Ohio that there was another VOR being discontinued which I did not bring to his attention.

Mr. RANDALL. I would hope that, so far as the two floor managers of this bill are concerned, some sort of record or legislative history could be made to the effect that no reductions in the number of VOR's were contemplated by this committee, although FAA proposes elimination of several. I am not sure how many we are losing in Missouri. I know of three. My colleague from Missouri just said he knows of four. I am wondering how many we will have left?

Mr. BOLAND. Mr. Chairman, if the gentleman will yield, I will promise the gentleman that we will make inquiry of the FAA and determine if there has been a reduction in the VOR system and determine where they are and detail them for the record.

Mr. RANDALL. We would hope that we could have a recitation of the reasons, if any are going to be removed, and what savings, if any, are to be alleged. In our opinion the removal of these is not really a saving or economy but only false economy.

Just this afternoon I was reading some correspondence from a doctor in our district who is required to fly. He was in a severe storm recently and pointed out he would have had to rely on a military installation if the VOR, about to be eliminated, had not been in operation. I hope that the gentleman from Massachusetts will make the inquiry he has offered to make and emphasize to the FAA the importance of the navigational assistance rendered by these VOR's to general aviation on the little planes. It is well and good to take care of the big scheduled jetcraft flying above the clouds, but let us not concentrate all of our attention on these planes to the complete neglect and entire oversight of the little planes. These planes do not have radar and could become helpless under some weather

conditions without navigational aids including the VOR. The FAA has a responsibility to general aviation as well as to other users of the airlines.

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

Mr. RANDALL. I am glad to yield to my colleague from Missouri.

Mr. ICHORD. I commend the gentleman for pointing out to the committee this problem, and I would like to bring to the attention of the gentleman the discontinuation of another VOR facility with which the gentleman is not acquainted—scheduled to go into effect July 20—and that is Richwoods, near the St. Louis area. The discontinuation, I believe, is extremely detrimental to the interest of general aviation. Rightly or wrongly, I suspect that the FAA is operating these facilities solely for the benefit of commercial airlines and does not take into consideration the growing and expanding interests of general aviation in this country. The interests of general aviation, I fear, are not being adequately represented by FAA. This, I realize, is a serious charge and it is one to which I believe the Congress should lend its serious attention.

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

Mr. THOMPSON of Georgia. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Georgia is recognized.

Mr. THOMPSON of Georgia. I would like to associate myself with the remarks of the gentleman relating to the visual omni range, the VOR, and state that I feel that we are going to have to give more interest and show more concern to general aviation in this country. For the past several years it has become very apparent that small businessmen are moving more and more by their own private aircraft. The growth of this country has been brought about primarily because of our transportation system. General aviation is a vital and an integral part of our transportation system. I think particularly we in our Nation's Capital must not be so concerned about air traffic congestion as it relates to airlines that we overlook the demands and needs of general aviation.

Certainly the air transportation system is going to grow. It will grow so far as our airline transportation is concerned and so far as our general aviation transportation system is concerned. We must make provision for both.

Now, with regard to the National Airport and whether it should become exclusively an airline terminal, I would simply like to state that if we do have the projected growth in the airline industry that is anticipated, we will not be able to accommodate, at the National Airport the airline flights that will be coming into this area. We are going to have to use other fields such as Dulles.

I, for one, would rather fly out of one airport and have a reasonable degree of certainty of coming back into that same airport. I think I have missed probably four weekends in going back to my district since coming here. Normally I depart from National Airport and I come

back to Dulles because of the schedule that I must maintain. I would rather leave from Dulles and come back into Dulles even though National is closer. If it is going to be necessary that we use Dulles for airline operations, which is the case, we should make National a general aviation airport, and I say this should be done, because this would be the very best use of our facilities that we have available.

Mr. MAILLIARD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, although I can readily appreciate the problems facing our Committee on Appropriations in view of the concurrent cost of prosecuting a war in Vietnam and at the same time maintaining domestic programs. I am somewhat concerned about its action with respect to appropriations for acquisition, construction and improvements for the U.S. Coast Guard which now operates within the Department of Transportation. If this is to be truly a "guns and butter" budget, then I have grave reservations over the appearance that the Coast Guard, although qualified in both categories, is being shortchanged. In a word, the administration is actually requesting too little, if we expect this service to continue to effectively discharge the multitude of both war and peace duties imposed upon it.

Mr. Chairman, I fear that the budgetary limitations under which the U.S. Coast Guard has long operated stems in large measure from a similar lack of awareness concerning this "oceangoing police force" on the part of the general public. Because of this lack of appreciation concerning the multitude of functions performed by the Coast Guard, both in peacetime and during periods of national emergency, I was exceedingly pleased to review a two-part feature series entitled "The U.S. Coast Guard" appearing in the July 7 and 14 issues of Life magazine. If there be any doubt whatsoever among my colleagues concerning the need to provide reasonable and adequate Federal funds for the U.S. Coast Guard, then I commend to their attention this Life feature, and the following letter of July 14, which I sent to the editor of the magazine extending my compliments on the most excellent coverage by Life. This letter points out the grave concern entertained by myself and the majority of my colleagues on our Committee on Merchant Marine and Fisheries with respect to the necessity for adequately funding vessel replacements for the U.S. Coast Guard.

The letter follows:

JULY 14, 1967.

Mr. EDWARD K. THOMPSON,
Editor, Life,
New York, N.Y.

DEAR Mr. THOMPSON: As the ranking minority member of the House Committee on Merchant Marine and Fisheries which has legislative jurisdiction over the United States Coast Guard, I would like to extend to you and Mr. George Silk of your Photographic Staff my compliments on your two-part feature series "The U.S. Coast Guard" appearing in the issues of July 7th and 14th.

As dramatically demonstrated by your feature, and especially the accompanying photographs, the Coast Guard is a unique service.

It is at once our ocean-going police force, life-saving agency, and at times an integral part of our armed services during national emergency. Yet, despite a diversity of functions which stagger the imagination ranging from law enforcement to icebreaking to oceanography to military readiness and sundry others, the Coast Guard has discharged each of these duties with a small complement of dedicated personnel. As pointed out in your Editors' Note of July 7th, "The Coast Guard is not much bigger than the New York City police force, . . ." but its area of operation covers the globe including, I might add, Viet Nam.

Since July 1965, thirty-one vessels and more than 1,300 men of the U.S. Coast Guard have been assigned to Viet Nam for operation under the Commander of the Naval Forces stationed there. This number of personnel represents almost 5% of the total complement of officers and enlisted men in the Coast Guard. Yet, the service has continued to perform all its other regular peacetime functions. This contribution by the Coast Guard to our country's commitments in Viet Nam represents one of the few omissions to be found in your most excellent coverage.

As for Mr. Silk's experience on the Coast Guard cutter, *Barateria*, this particular vessel points up one of the major problems currently facing the service—the replacement of its aging fleet of vessels. The cutter *Barateria* built in 1943 is now twenty-four years of age, which is the average service life of the Coast Guard's entire present fleet of thirty-five cutters. Moreover, except for the icebreaker *Glacier*, a photograph of which appeared in your July 14th issue, all of the Coast Guard's icebreakers, including the five transferred to it from the Navy last year, are of World War II vintage making them in excess of twenty years of age today. By the time the first of these icebreakers is replaced under current programs, it will be thirty years old.

This simply underscores the very real problem of providing adequate federal funds for necessary equipment and capital improvements so as to insure the ability of the Coast Guard to continue its long and distinguished record of service to the nation. This has been and continues to be a matter of deep concern to me and to other members of our Committee, since the Administration's budget requests for the Coast Guard, notwithstanding substantial increases in authorization for appropriations by our Committee, have not been commensurate with the needs of the service so as to overcome this cumulative deterioration in the caliber of equipment which the Coast Guard has been called upon to use.

Perhaps through your two-part feature, there will be created a greater public appreciation of the services performed by the United States Coast Guard, so that they will not be taken for granted or pass unnoticed and unheralded. If so, then you have succeeded in performing a real public service for which I extend to you my congratulations.

Thank you.
Sincerely,

WILLIAM S. MAILLIARD,
Member of Congress.

The CHAIRMAN. The Clerk will read.
The Clerk read as follows:

GRANTS-IN-AID FOR AIRPORTS

For grants-in-aid for airports pursuant to the provisions of the Federal Airport Act, as amended, for the fiscal year 1969, \$65,000,000, to remain available until expended.

AMENDMENT OFFERED BY MR. HECHLER OF WEST VIRGINIA

Mr. HECHLER of West Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HECHLER of West Virginia: On page 8, line 9, strike "\$65,000,000" and insert in lieu thereof "\$75,000,000".

Mr. HECHLER of West Virginia. Mr. Chairman, mine is a very simple amendment, which would merely restore the budgeted amount for grants-in-aid for airports to \$75 million, which is the authorized amount.

I commend the gentleman from Massachusetts and his committee for having built up an excellent record on this and other issues. On pages 62 and 63 of the subcommittee hearings there is an excellent statement and graph, which indicates that the requests for Federal airport aid are about five times the amount of the appropriations, and they are going up.

All Members having airports in their districts will be interested in this amendment. The rapid introduction of high performance aircraft makes it necessary for communities throughout the Nation to upgrade their airports. The amounts of requests are rising, the numbers of airline passengers are rising, and aviation is growing at twice the rate of growth of the economy.

We know these funds are going to be needed.

Mr. Chairman, I hope the usual persuasiveness of the gentleman from Massachusetts will be reduced to a minimum when he is constrained to oppose my amendment, and I yield now to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I must say that the usual persuasiveness does not extend to \$10 million. Nevertheless, I can appreciate the position of the gentleman from West Virginia. He always makes a very persuasive and I think compelling case, except in this instance. I believe the report of the committee itself, on page 15, details rather well why the committee reduced the aid by \$10 million, from the budgeted \$75 million.

There were two reasons for this action. The first reason was he had funded a supplemental appropriation for \$66 million a couple months ago. We thought the FAA had enough work on its hands to take care of the workload that appropriation would entail.

The second reason was this, and I know the gentleman noted the reference in the hearings to the fact that this program ought to be looked at by the responsible legislative committee. The program is not meeting the problems nor the emergencies which will develop. If the gentleman comes in 2 years from now with an amendment to increase it by \$10 million, I might very well favor it; but at this particular time, because of the situation, because of the priorities, because of the budget itself, and because of the committee's own substantial reasons, I am forced to reluctantly oppose the amendment.

Mr. HECHLER of West Virginia. Mr. Chairman, I agree with the gentleman from Massachusetts that the FAA and the communities have their hands full. Quoting from page 63 of the hearings, Mr. Thomas and General McKee indicate even the budgeted amount of \$75 million would not begin to meet the

needs. Mr. Thomas stated further that there were now "about \$331 million in requests for 1968" for these \$75 million, to which the gentleman from Massachusetts very aptly replied, "Which shows that the Federal Government apparently is not doing what it ought to in this area."

I agree this program ought to be looked at by the authorizing committee, and vastly expanded. In the interim, there are all these high-performance aircraft coming into being in communities requiring longer runways. Communities throughout every one of the 50 States of the Union are forced to upgrade airports to meet the needs of the fantastic expansion of aviation.

I say this amount ought to be restored to the budgeted amount of \$75 million. We know at least this much will be needed.

The gentleman also brought up the fact that a lot of these grants in aid go into the smaller airports. I believe the smaller airports are the backbone of our Nation.

In addition, in recent months the FAA has moved strongly toward supporting regional airports. In a landmark decision of the 15th of May, the FAA, after many months of study, decided to support a regional airport to serve Charleston and Huntington, W. Va., rather than support the two smaller airports now located at each city.

Mr. BOLAND. I believe that is precisely what we mean to do by this reduction, which is to force the FAA to be more conscientious and more selective and to go to regional airports. We cannot provide an airport for every village and hamlet in the United States.

In the hearings, on page 63, there is a graph which indicates that by 1972, at the rate we are going, we would need \$581 million to meet the needs on this kind of construction throughout the United States.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia.

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CIVIL SUPERSONIC AIRCRAFT DEVELOPMENT

For an additional amount for expenses, not otherwise provided for, necessary for the development of a civil supersonic aircraft, including the construction of two prototype aircraft of the same design, and advances of funds without regard to the provisions of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), \$142,375,000, to remain available until expended.

AMENDMENT OFFERED BY MR. M'GREGOR

Mr. MACGREGOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MACGREGOR: On page 8, strike out lines 10 through 17.

Mr. MACGREGOR. Mr. Chairman, the amendment as read by the Clerk speaks for itself. It seeks to defer until a later date the expenditure of almost \$143 million in the funds paid in taxes by the American people for the prototype development of two supersonic transport aircraft.

Mr. Chairman, I use the word "defer"

because I am not an opponent of the SST program. There are those who are.

There are those who refer to the selling job for the SST as a "supersonic snowjob." Others who have paid some attention to the sonic boom problem feel that the SST is a "sonic boondoggle."

I am persuaded, Mr. Chairman, that this proposed aircraft is aerodynamically sound. Others are not.

I am not convinced, however, of the economic feasibility of this aircraft.

During the course of the debate the distinguished gentleman from North Carolina [Mr. JONAS] told us, from the standpoint of his superior knowledge on the subcommittee, of the limited cruise and range capability of the SST.

The record of more than 120 pages is replete with factual information that should give us great pause with respect to the sonic boom problem. Although it was only lightly referred to in the hearings, a very distinguished authority on the subject, a Swede named Bo Lundberg, believes that the operation of a supersonic transport over water at supersonic speeds will cause great physical hardship if not real disability to ships at sea within the path of the wide and continuing sonic boom.

My point is that there are a great number of factors here which are not known with sufficient certainty so that we should continue to expend the taxpayers' money without at least a hearing for an alternative method of financing.

And an alternative method that would substitute some of the millions and millions and millions of dollars to be saved by the American people through a private investors scheme of financing, in lieu of the money of the taxpayers of this country.

Mr. Chairman, I think it is hardly an acceptable practice for us, when we are faced with a deficit this year that might come up to \$30 billion or more, to continue simply to say that we have started down this road of public financing and we must continue with it at the present.

Mr. Chairman, there are pending in the Committee on Interstate and Foreign Commerce proposals which, if adopted, could save several hundreds of millions of dollars of the money of the taxpayers.

Mr. Chairman, I do not want to kill the SST. I have studied this question for the past year and a half and there were arguments both pro and con.

Mr. Chairman, I think it is a situation which needs to be clarified. Do the members of the Committee of the Whole House on the State of the Union want to go back to their constituents and say that you have spent \$143 million of the taxpayers' money upon this project?

Mr. Chairman, I will not support the development of a commercial product that is estimated to be used by less than 5 percent of the people of this country.

Mr. Chairman, is this responsible legislation in view of the belt tightening to which we subject every bill which is brought before this body? We have made cuts in highway safety. I have a pleading telegram that came to me from the director of highway safety in the State of Minnesota, begging that we restore the

money that we cut for the highway safety program.

Mr. Chairman, the gentleman from West Virginia [Mr. HECHLER] lost on his amendment to restore these funds.

We have made substantial cuts in a number of programs already. I hope we make cuts in others. But not one dime has been cut by the committee from the SST program.

I know that the budget request was for a total of \$198 million and that the committee has come in with a recommended appropriation of \$143 million. But that is essentially an accounting procedure. That operation does not result in any money being cut from the SST program.

Mr. Chairman, the gentleman from Massachusetts [Mr. BOLAND], the distinguished chairman of the subcommittee, made that quite clear in his opening statement.

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

Mr. EVINS of Tennessee. Mr. Chairman, I ask unanimous consent that the gentleman from Minnesota [Mr. MacGREGOR] may proceed for 2 additional minutes.

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

There was no objection.

Mr. EVINS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. MacGREGOR. I yield to the gentleman from Tennessee.

Mr. EVINS of Tennessee. It is true that bills have been introduced for the private financing of this project. Although there have been no hearings held before the legislative committee, there have been hearings held before the Subcommittee on Independent Offices of the Committee on Appropriations on this subject. We heard the proposal of financing this project through the bonding theory. However, we concluded that we have not reached the stage to which this should go beyond the experimental and research studies in developing the prototype. But, after it has been developed, then we can determine whether or not there should be private or commercial financing.

However, Mr. Chairman, I will say to the gentleman from Minnesota that there have been hearings held upon this proposal.

Mr. MacGREGOR. Mr. Chairman, in response to the gentleman from Tennessee, I hope the gentleman will bear in mind the testimony which appears on page 141 of the hearings of the subcommittee wherein the gentleman from Massachusetts [Mr. BOLAND] asked if the prototype does not work, that ends the program. Secretary Boyd replied, "That is right."

So, Mr. Chairman, after we finish financing from taxpayers' funds, to the tune of \$1,144 million of the prototype development phase, and if it turns out that the first flight in late 1970 or the continuing flights in 1971 of the second plane, are not economically feasible, we will have poured down the drain \$1,144 million of the taxpayers' money, without any consideration by the appropriate committee of the House, the Committee

on Interstate and Foreign Commerce, of a proposal for private financing.

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

Mr. MacGREGOR. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I can understand the gentleman's concern. But I can say that the Congress has considered this as a feasible endeavor. Of course, we have. Feasibility studies have been presented to the Committee on Interstate and Foreign Commerce. They have been presented to that committee. We do not appropriate for this program in the blind or in the dark.

I believe the hearings are rather substantial. There are some questions here, the gentleman has found some, and there are questions which bother individuals like the gentleman in the well, and both a great number of other people throughout the United States, and the press.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOLAND. Mr. Chairman, I ask unanimous consent that the gentleman from Minnesota [Mr. MacGREGOR] may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BOLAND. Mr. Chairman, I believe the record clearly shows that this subcommittee gave perhaps as extensive hearings to this proposition as any committee could give.

Mr. MacGREGOR. I say to the gentleman from Massachusetts that I agree with him, and I complimented the committee, and I was much impressed by the knowledge of five members of the subcommittee, each of whom interrogated General McKee, General Maxwell, and Secretary Boyd, and I know that a great deal of careful study has been given by the committee in its report.

But I also know that the President questions the economic feasibility of this, and that there are risks to be faced in connection with it, but let us not be putting the taxpayers' money in this too-risky proposition.

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

Mr. MacGREGOR. I yield to the distinguished minority leader.

Mr. GERALD R. FORD. Mr. Chairman, I thank the gentleman for yielding.

I merely wanted to indicate my sympathy for and approval of the program the gentleman is advocating, and also the legislation which has been sponsored by the gentleman from Ohio [Mr. BOW]. I hope and trust that the legislative committee will hold full and prompt hearings on this legislation. I also feel just as strongly that the deletion of the appropriation authority for the SST at this point in this bill would be a mistake.

Mr. MacGREGOR. I am a little sorry I yielded to the gentleman.

Mr. GERALD R. FORD. I am sympathetic with his aim and objective for legislation of private financing, but on this particular occasion I respectfully disagree with him. The appropriation for the SST is needed.

Mr. MACGREGOR. I believe what the gentleman means is that he feels for me, but he cannot quite reach me.

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

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

Mr. MINSHALL. Mr. Chairman, I would like to point out to my distinguished friend from Minnesota that I have respect for his feeling on the SST program, but I also want to point out that the subcommittee has spent hour upon hour on testimony hearing the experts. We on the committee do not pose as experts. All we do is report back as jurors.

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

Mr. MINSHALL. Mr. Chairman, I ask unanimous consent that the gentleman from Minnesota [Mr. MACGREGOR] may proceed for 2 additional minutes.

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

There was no objection.

Mr. MINSHALL. Mr. Chairman, I believe the feelings of the subcommittee can best be summarized as reported on page 19 of the committee's report. It goes to the core of the SST controversy, as follows:

In summary, the Committee believes that development of the SST is of sufficient importance to the country that the funds recommended should be appropriated. The value of the SST goes far beyond the saving of time of airline passengers. The jobs created by the production and operation of the aircraft will be important to thousands of Americans. The health of a major industry will be preserved. Foreign exchange will be earned, and the more than one-half billion dollar investment already made will be protected. The time is near for the next step in air transportation, supersonic flight, to become a reality. The United States must either be a part of this new era or forego its leadership position in air transportation.

Mr. Chairman, I would also like to point out that of all the world's aircraft now, American-made craft comprises 92 percent of these aircraft. We must preserve our position of world leadership in the airways of the world. We can only do this by approving the SST program or we will be left at the post and never get off the runway in the supersonic jet age of the future.

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

Mr. MACGREGOR. I yield to the gentleman from North Carolina.

Mr. JONAS. Mr. Chairman, I would like to say to the gentleman from Minnesota that we will not get the Federal Government out of the risk if we go to private financing. The Federal Government not only would continue on the risk by guaranteeing the bonds, but I am afraid we would lose the contributions that are now being made by the airlines in putting down millions to stand in line for these planes when they are ready, and also the investment by Boeing and General Electric.

Mr. MACGREGOR. I must respectfully disagree with the gentleman when he talks about the contribution that Boeing makes. I am not suggesting that they be swallowed whole. I am suggesting there

be complete hearings on the question, and there can be amendments so as to preserve the 12-percent contribution which is presently being made in the prototype plane by Boeing and General Electric, or the 5 percent currently being paid by the airlines who have agreed to put \$1 million up each to maintain their delivery position.

I am certainly interested in preserving the private financing. I want to save the taxpayers \$144 million.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAGGERS. Mr. Chairman, I rise in opposition to the amendment and to briefly state my reasons.

Mr. Chairman, I oppose the amendment because I think the production of the SST is essential to America in many ways. Not only for our prestige, but also in reference to our standing in the world. For practical, sound, economic purposes we should keep pace in aviation with the rest of the world.

As the gentleman from Washington explained a while ago, many orders have already been received from U.S. carriers and from many foreign carriers for this plane. If we hesitate in this venture in any way, a lot of those orders will be canceled. A lot of people say: So what? Well, that means that some other nation or nations will take over the leadership in aviation.

The nations that have placed these orders with us do have faith in America's ability to build these planes.

I might say to the gentleman from Minnesota that we did hold hearings before our committee this spring on March 8 and we had the people who are directly engaged in and responsible for the program explain all of their activities. It was explained that Boeing and General Electric were putting in \$234 million of their own money. They have great faith in this or they certainly would not be trying to produce planes and throwing \$234 million away.

There have been adequate hearings on this. There have been hearings on the Senate side. There have been hearings before the Committee on Appropriations and hearings before our committee. I think the hearings have been adequate to carry this on.

The gentleman mentioned that he has a bill before our committee waiting for a hearing. I might say to the gentleman that we have had several emergencies here in the last 2 or 3 months so we just could not catch up with some of these other bills. But we hope to give as many as possible hearings and this could be one of them.

We are talking now just about the prototype and getting it constructed so that we know what it can do. That costs \$1,450,000,000.

It was testified to before our committee that no private enterprise in this country could possibly do it. The net worth of the Boeing Co. is only \$370 million and the net worth of General Electric is less than that. They could not anywhere near touch this—no private enterprise group could.

The gentleman from North Carolina said that under the proposal for private financing, the Government would still

have to guarantee every penny of it. So the taxpayers would still be underwriting the risk of an unsuccessful program.

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

Mr. STAGGERS. I yield to the gentleman.

Mr. MACGREGOR. Does the gentleman think they are going to fail?

Mr. STAGGERS. No.

Mr. MACGREGOR. Under the scheme I have proposed for financing under Mr. Bow's original leadership, the only way the Government would have to pay back every dime is if the SST fails. If the gentleman thinks it is going to fail, then naturally the gentleman would be opposed to the amendment.

Mr. STAGGERS. I believe that this was explained—that the Government can finance it with less interest. All this money will be paid back to the Government at 6 percent interest if the program is even reasonably successful.

Mr. MACGREGOR. The gentleman mentioned that there were hearings in March of this year—I was not aware of that.

Mr. STAGGERS. I will come to that in a minute.

I want to say that at least two other commercial supersonics will be produced—and earlier than ours. They are the Concorde, by England and France, and the TU-144, by the Soviet Union.

There was even talk that Russia might fly one to the Paris air show. They did not, but it is not far off.

If we want to fall behind in this air race, all we have to do is to say, "Let us delay this a little bit longer." Nations like Japan and Germany and the rest that have already placed orders for this plane will cancel their orders. They will then choose a supersonic built elsewhere. And our U.S.-flag carriers will have no choice but to purchase foreign-built supersonics in order to maintain competition with foreign carriers.

Mr. MACGREGOR. Would the gentleman give me the names of the witnesses who appeared in public sessions before his committee hearings, in March of this year, on the proposal to finance privately the SST?

Mr. STAGGERS. The hearing was not on private financing. The first witness was Gen. W. F. McKee, Administrator of the Federal Aviation Agency.

He was accompanied by David D. Thomas, Deputy Administrator.

Then there was Maj. Gen. Jewell C. Maxwell, of the U.S. Air Force, who is Director of the Supersonic Transport Development.

Mr. MACGREGOR. Yes; they are the same people who testified before the Appropriations Subcommittee.

Mr. STAGGERS. If the gentleman would just permit me to finish.

There was Arvin O. Basnight, Associate Administrator for Programs.

Oscar Bakke, Director of the Eastern Region for the Aviation Agency.

These are people who know about the thing. We did not get rumors. They have the experience and they have the knowledge and they have the data which they gave to us. We wanted men who were directly connected with this.

Mr. MacGREGOR. You had four FAA men to testify.

Mr. STAGGERS. I might say to the gentleman, we had the one man who was selected to head the program by the President of the United States.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOLAND. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for 2 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

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

Mr. STAGGERS. I yield to the gentleman from Massachusetts.

Mr. BOLAND. I just want to call to the attention of the committee the fact that the chairman of the Committee on Interstate and Foreign Commerce has indicated that they did have hearings and the only witnesses who testified were those from the FAA. The gentleman from Minnesota was about to respond that they were the same gentlemen who testified before the Subcommittee on the Department of Transportation appropriation bill. That is so. But also before the Subcommittee on the Department of Transportation were witnesses who have been pushing private financing for this program, not only this year, but for the past 4 or 5 years, and I think that those gentlemen who appeared before that committee would have to agree that they have never been given more extensive hearings, more time, or shown more courtesy than was extended to them this year on their matter, particularly with reference to their opinions on H.R. 12, and why, in their opinion, this program ought to be financed in the development stage through private funds.

Mr. EVINS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Tennessee.

Mr. EVINS of Tennessee. I was wondering whether the gentleman was aware of the fact that Eugene Black, of the World Bank, who is known as a fiscal conservative man, has said that it is absolutely necessary that this country go ahead and build the SST.

Mr. STAGGERS. I thank the gentleman for pointing that out.

(By unanimous consent, Mr. STAGGERS was given an additional 2 minutes.)

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

Mr. STAGGERS. I yield to the distinguished majority leader.

Mr. ALBERT. The gentleman has made a fine statement. The gentleman and his committee are fully advised of the importance of this matter.

Does not the gentleman think that if the Government were to pull out or to hold back or to put itself only in the position of a guarantor that we would be endangering the program so far as the United States is concerned? And does the gentleman not also believe that in that instance France and England, and perhaps Russia would move into the lead in this important area? I am sure the gentleman would answer these questions in the affirmative.

Mr. STAGGERS. That is true, in my opinion.

Mr. ALBERT. I thank the gentleman.

Mr. Chairman, I rise in opposition to the amendment.

The supersonic transport marks the beginning of what I believe to be a new era of transportation discovery. We see it coming on every hand—the nuclear ship at sea, the high speed trains that will offer new levels of passenger comfort, the turbine and possibly the electric car, containerized freight handling, and supersonic air travel. All of these technological advances stand on the threshold of accepted commercial use. Some of them will take longer than others to adapt to our environmental conditions—but all of them are coming.

The SST will be one of the largest and fastest commercial transports flying by the mid-1970's. It will be capable of carrying more than 280 passengers at speeds up to 1,800 miles per hour. South America and Asia will be as close as Europe is today.

Yet criticism persists—not so much about the airplane itself, although some of the technology going into it is truly revolutionary—but about why we are building it and why the Government is involved. I would like to take some of these questions and provide the answer.

First of all, the SST is before us today because it is an idea, an invention, a technology that is the logical next step in aviation advancement. This step could not have been thwarted by any individual or any government—delayed perhaps—but never fully prevented. Around the turn of the century a U.S. Senator seriously proposed that the Patent Office be closed because everything that could be invented had been. We all know the folly of that statement well enough to also know that supersonic travel was bound to come—and it has. If we ever need any reminder of this, we can always take another look at the recent news films of the Moscow air show, or at the growing list of reservations for the Concorde, now being developed by the British and the French.

Yet the first question we so often hear is: Why build the SST now?

The most obvious reason—the one every businessman worth his salt instantly realizes—is that if we do not meet our competition now we may never be able to catch it. A more subtle reason is that America cannot afford to lose her position of leadership in world aviation any more than she can afford to waste existing aviation technology.

Britain and France are putting up \$1.4 billion to develop the Concorde. Thirteen airlines have already reserved 74 delivery positions. If the SST is not produced, this number will grow considerably. Currently 129 delivery positions have been ordered for the SST. This represents sales of \$5 billion; in the event of a major delay or stoppage of SST production, these most certainly would be lost to the Concorde.

Another question frequently asked is: What business is this of the Government's and how do you expect to ever get your money back?

History has taught us—as in the case

of the railroads—that there are some achievements which are in the national interest, but which simply are too expensive for any one corporation, company, or business to undertake on its own. The SST is such an achievement. This country has the best transportation system in the world—and it got that way through the efforts of private enterprise operating in an open competitive market. The Government has no intention of removing the SST from that process. There is no subsidy involved; if the SST becomes so successful that other manufacturers want to enter the market they can; the SST will receive stiff competition from the Concorde and perhaps the Russian TU-144; and the Government will get back every bit of its investment plus interest.

The Federal Aviation Administration estimates a market for at least 500 planes by 1990. The Boeing estimate is slightly higher at 650. These estimates are based on the assumption that flights will be limited to overwater routes. The delivery of only 300 SST's will insure recoupment of the Government's investment and the sale of 500 will return the investment plus interest.

We also hear the charge: The SST will be only a "plaything for the jet set."

This could not be further from the truth. The objectives of the SST program are to develop an economically sound transport that can compete with the best of the subsonics at present or lower fare levels. For the 1990 time period, it is estimated that even if a fare difference of 20 percent or less is charged, more than 60 percent of the passengers would choose supersonic travel. This passenger preference can be historically traced to the first subsonic jets which, although operating with a surcharge, soon drove piston planes out of the first-class market.

The Congress now has the opportunity to help introduce supersonic travel—the next step in the evolution of aviation development.

President Johnson set the goals of the SST program as "The development of a supersonic transport which is safe for the passenger; superior to any other commercial aircraft; and economically profitable to build and operate."

The President said that only by sustaining the highest levels of business-Government cooperation can we achieve those goals. It is now up to us to provide our share of that cooperation. We should move ahead immediately to do so.

Mr. STAGGERS. Mr. Chairman, in conclusion I would like to say to the distinguished gentleman from Minnesota that I can see that he has a worthy idea. I believe that private investment is always a worthy idea, but not necessarily always possible. I can understand his effort to do what he is trying to do, he and the distinguished gentleman from Ohio [Mr. Bow]. But I say that in my opinion the approach we have made and the method that has been selected is the wise one for this country now and in the future.

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

Mr. STAGGERS. I yield to the gentleman from Minnesota.

Mr. MACGREGOR. I am awfully glad that America was not stampeded by the British manufacturer of the Concorde. I hope that this body will not be stampeded by the effort to build the F-114. I was amused at the number of comments in the Record to the statement by the gentleman from Ohio [Mr. MINSHALL], when he talked about the giant Russian transport that stampeded everyone at the Paris Air Show 2 years ago. Apparently they had to wrap it in baling wire to get it there. The people in the Air Force, who are knowledgeable, thought they would never get it back to Russia. The gentleman from Ohio has said that it has not been seen since.

We should consider very carefully whether the Concorde and the F-114 might not have a similar future. Let us not be stampeded on this issue.

Mr. WIDNALL. Mr. Chairman, I rise in support of the amendment to cut back on the immediate commitment of more funds at this time for development of the SST. I want to make it clear, in doing so, that I fully expect an American SST to be built, in the future, with the assistance, to some degree, of Federal funds. The question is not whether it should be built but when. It is a question, particularly with the present budget situation, of priorities. The SST does not have a high priority, in my opinion, in terms of the goals or the needs of the vast majority of the American people.

I have not heard any persuasive argument for the immediate expenditure of nearly \$150 million in the 1968 fiscal year. It is said that if we do not immediately go ahead with development, we will lose time and sales to the British and French Concorde, and that this will undermine our opportunities for vast improvements in our balance-of-payments picture.

As the ranking minority member of the Banking and Currency Committee, and a member of the Joint Economic Committee, I have lived with this balance-of-payments problem for years. No one is more concerned about finding a solution to this nagging headache in our national economy than I. If the argument in favor of the SST for balance-of-payments purposes was valid, I would be the first to support it. The fact is that this argument simply does not stand up to close scrutiny.

To begin with, even assuming the estimates of sales for the SST over water routes, the only presently feasible method for utilizing the supersonic speeds of the plane, there is no guarantee that this will produce a favorable balance-of-payments effect. The FAA itself commissioned a report, from the Institute for Defense Analysis, which it with a great deal of foresight and self-preservation, suppressed for a period of time, indicating that the SST could very possibly add to the already serious tourist expenditure deficit for balance-of-payments purposes.

Should the tourist gap increase as a result of the SST, we would also be faced with the possibilities of restrictions on tourist travel that no one in this Congress

would readily accept. Such restrictions have already been talked about in administration quarters on the basis of today's tourist outlays.

In addition, Knut Hammar-skjold, director-general of the International Air Transport Association, has stated that the Boeing Co.'s design for the SST simply does not meet IATA's economic criteria. To put it bluntly, if Mr. Hammar-skjold is correct, the plane would not make money. How a loss to American airlines would encourage either sales or help the balance-of-payments picture, I do not know.

We need to take a careful look at the argument that we are somehow in competition for the sales with the Concorde. The Concorde is a 140-seat, mach 2—that is, twice the speed of sound—aircraft with an aluminum skin. It is already projected for service several years before the SST even if we vote all of the money today. The sales it generates will be one-shot, first generation supersonic plane sales. British and French difficulties in its development may make it difficult to meet delivery schedules, and will increase cost estimates. In some instances, it may not even be commercially competitive with the Boeing 747, or the jumbo jet, carrying 350 passengers or more.

What is certain is that the Concorde cannot be feasibly converted into a mach 3, titanium-skinned aircraft competitive with the SST without a complete revision of design. We are talking apples and oranges when we try to compare the two for sales purposes. What airline is going to order additional Concordes, a mach 2, 140-place plane, when it can get the second-generation SST at 50 percent more maximum speed and twice the passenger load by simply being a little patient? The cost of either plane is going to be so high that we may need Government subsidy for purchase price as well as development, and in any event, the financial outlay will require the most cautious and competitively aware approach on the part of the airlines.

An additional argument is made that, as Secretary of Transportation Alan Boyd has put it, if the supersonic noise problem over populated areas makes it unfeasible to operate the SST at those speeds over land, why then we will just operate it at subsonic speed. Again, what airline is going to buy an SST at enormous cost that it cannot operate as an SST when it has the new Boeing and Douglas jumbo jets at less cost, higher load capacity, and lower, more attractive fares to stimulate business?

At a time of budgetary concern, I for one see no reason why a specially designed mode of travel for a minute portion of the traveling public should take precedence over better schools, better housing, more funds for sewer and water facilities in rural areas under the Farmers Home Administration or suburban and small town America under HUD, more job training, or better transportation for millions of American commuters. The Congress would be clearly justified in any cutback made in the program at this time.

I include at this point an excellent

editorial from the Bergen Record of Hackensack, N.J., of May 2, 1967, summarizing the reasons against voting further development funds at this time:

WHEN MILLIONS GO UP IN SMOKE,
POLLUTION!

President Johnson's commitment of \$1.1 billion over the next 4 years to the supersonic passenger jet project would be hard to defend even if the nation weren't waging a \$20 billion a year war in Vietnam. But with the war taken into consideration, plus the cutbacks in domestic programs it has entailed, the superjet begins to look like a cruelly expensive whimsy.

Its cost will be very high for the benefit it will return, a 4-hour cut in trans-Atlantic flight time. No way has yet been devised to reduce the damage to structures, animals, and human beings caused by the sound wave on the leading edge of a plane moving 1,800 miles an hour. Accordingly, the new jets will be confined pretty much to operations over water, and this will appreciably cut their marketability.

The chief argument for going ahead with the project is that, unless the United States fields a supersonic craft of its own, airlines will buy the French-English Concorde in quantity and the American balance of payments will be hurt. The argument is not persuasive enough to justify the expenditure of hundreds of millions of federal dollars when war costs are increasing steadily, the Administration is still requesting a 6-percent increase in the income tax, and Antipoverty programs are being phased out or cut back all over the nation.

Mr. REUSS. Mr. Chairman, I rise in support of the MacGregor amendment.

Mr. Chairman, I shall not take anywhere near my 5 minutes, but I would like to define the issue before us.

The issue is not whether the House Committee on Appropriations has done an industrious and thoughtful job in its report. It certainly has.

Neither is the issue where the research and development on the SST may not overcome the problems of the sonic boom and the titanium construction and the variable sweep wing. It probably can.

Certainly it is not an issue whether the prospect of an SST arouses in the minds of many Members a spirit of adventure and romance. It obviously does.

The question is whether, this year, the taxpayers ought to be romanced for \$142 million to continue the SST program.

As the gentleman from New Jersey [Mr. WIDNALL] has just so well said, we have cut sharply our appropriations for schools and for water pollution and for health and for cities. Certainly there is nothing so supersacrosanct about the supersonic transport plane that it, too, cannot face a little budget cut.

There are other alternatives. There is the alternative of the gentleman from Minnesota [Mr. MACGREGOR] of private investment with a Government backup. There is the alternative of the gentleman from Ohio [Mr. VANIK] of a user tax. These should be explored. If they are, the program can go forward, but it should not this year be conducted at the taxpayers' expense.

I hope the amendment will be favorably received.

Mr. MEEDS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the term that is being bandied about now is to defer action on

this bill and on this proposal. It seems to me that, like law, action deferred is often action denied.

We are in a position of leadership in this country in the aircraft industry, a position of leadership which we cannot afford to lose. When one is in a position of leadership it seems to me one has to weigh as heavily the costs of inaction as one would the costs of action.

We are talking about a potential market by 1990 of 1,100 of these aircraft. If we can only fly across the oceans, we are talking about at least 650 of them.

The recovery to the U.S. Government of its total investment will be achieved after the production and delivery of 300 aircraft. We will have everything back plus 6 percent interest at between 400 and 600. We will share as a Government for 15 years in the royalties on this airplane under the present proposal.

It cannot seriously be contended here that the carriers of the world, of the free world and of the Communist world, are not going to get into the supersonic field. If there is a good supersonic transport available they will get it. This world is working on the basis of speed. The best supersonic transport into the field the soonest is going to be sold.

This is what we as a Nation face.

Importantly, the question is, what will happen if we do not do this?

It seems to me that not only the other airlines of the world but also our own airlines are going to be purchasing and using either the Concorde or some other supersonic transport if we do not build one, which means that we are going to be losing in terms of what we could be doing. We could be producing this. We have the technology and a capability of producing a good supersonic transport. We are going to be losing a prospective market of between 600 and 1,100 of these supersonic transports which could be built in the United States.

If they are not built in the United States and if 1,100 of them are built and if our carriers purchase them, as they will, this is going to mean a deficit in the balance of payments to us of \$54 billion by 1990. If they build only 600 and sell only 600 it is going to mean a deficit in the balance of payments to us of \$30 billion.

This means jobs. It means taxes. It means employment. It means a prosperous country because of a prosperous industry.

So we must not stand here and say, "We cannot do this." We can do this as a nation and we have to do this if we are going to retain our position of leadership in this field. This position of leadership is important to us as a nation, to our prosperity. It is important to all of us, to every citizen of this country and not just the people of any separate segment.

Mr. Chairman, I strongly oppose the adoption of this amendment.

Mr. VAN DEERLIN. Mr. Chairman, will the gentleman yield?

Mr. MEEDS. I yield to the gentleman from California.

Mr. VAN DEERLIN. Mr. Chairman, one of the many beneficiaries of the appropriation for two prototype supersonic transport aircraft would be the Rohr

Corp., of Chula Vista, Calif., in my own congressional district.

The Rohr Corp., in May of 1967, won a subcontract to construct the pods which will contain the huge jet engines powering our supersonic transport—SST.

When this program is fully activated virtually every State in the Union will be participating, either in the supply or the production of the SST. For these companies the SST will be a profitable and job-creating venture.

At Rohr, at least 500 and as many as 2,000 new jobs would ultimately be created. This fact alone would be very persuasive in soliciting my support for the appropriations. But there are numerous other reasons supporting the passage of this bill.

First and foremost is the backing which this project has received from the industry itself.

U.S. airlines have agreed to contribute \$52 million of the risk capital for the development effort and this money will be applied to the fiscal year 1968 program.

But how big a risk are the airlines taking?

The Boeing Co. has the contract for developing the airframe structure of the SST. This same company, in developing their historic 707 jet, took a gamble with more than 3 percent of their net worth. This amounted to \$17 million, a great sum of money for any company to spend on the development phase of a project.

And now, with their faith in the SST, the airlines are willing to put up \$52 million, a remarkable vote of confidence. This confidence is based on the advance orders for 113 SST's that have already been received, plus the fact that minimum sales of 500 of the transports have been projected.

These figures show the faith of our foreign markets in the quality of our production. The orders, many of them from foreign interests, are coming in despite the competition from the British-French consortium building the supersonic Concorde.

The U.S. SST is bigger, faster, and more economical than either the Concorde or the Russian SST, and the airlines of the world know it.

I strongly support this appropriation and urge my colleagues to do likewise.

Mr. MEEDS. Mr. Chairman, I yield back the balance of my time.

Mr. TENZER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to associate myself with the remarks of the last speaker insofar as the gentleman spoke about the United States maintaining a position of leadership in the field of aeronautics.

I would like to associate myself with so much of the gentleman's statement as deals with our balance-of-payments problem.

However, Mr. Chairman, I am in sympathy with the amendment which has been offered by the gentleman from Minnesota, because of its effect upon the citizens of the United States.

Mr. Chairman, I live in the shadow of the Kennedy Airport in New York. I have been plagued as a resident, and my constituents have been plagued, by the ef-

fect of jet noise. We have been denied the quiet and peaceful enjoyment of our homes. We have suffered from the results thereof as they reduce the value of our properties. It is no different in and around Kennedy Airport than it must be in and around the residential areas of every airport in the United States which is today receiving and discharging jet planes.

Mr. Chairman, my concern about the supersonic transport is whether there has been sufficient investigation into the effect of the sonic boom.

Mr. Chairman, I have heard that the supersonic transport will fly over the oceans and not over the land. Yesterday I received a rather extensive brochure with reference to the supersonic transport, and it contains this language, which I quote:

The SST will be used initially on long-haul overwater routes where sonic boom will not be a problem. The Anglo-French SST (the Concorde) will pioneer acceptability of sonic boom over populated areas.

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

Mr. TENZER. I shall yield to my colleague in just one moment.

Mr. Chairman, my questions are raised because I ask, "do we know enough about the effect of sonic boom?" Are we saying that we are only going to fly the supersonic transport over the oceans, because we have some knowledge about its affect upon land and upon life and property?

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

Mr. TENZER. I now yield to the gentleman from Washington.

Mr. ADAMS. Mr. Chairman, I hope that the gentleman from New York has clear in his mind the distinctions between the jet noises that may occur at an airport and supersonic boom, and all of the reports that have surrounded the consideration with reference to the flight of this plane.

Mr. Chairman, I have read testimony from General McKee and others, and I have seen a mockup of the engines that are designed to go into the operation of this plane. They will cause, according to the experts, less noise than those engines which are presently employed in our various transports because of the type of their construction.

Supersonic boom is not—I would point out to the gentleman—noise, airport noise, as we know it. There is a change in the atmosphere, which represents a different problem and a severe one, but a different one, in dealing with a metropolitan area in taking off and landing.

Mr. TENZER. Let me ask the gentleman from Washington, does the supersonic transport have an afterburner?

Mr. ADAMS. No.

Mr. TENZER. I think the gentleman is mistaken, I have been told that it does.

Mr. ADAMS. The supersonic transport?

Mr. TENZER. Everyone of the planes in operation today, traveling at mach 2 speeds and range are equipped with an afterburner.

Mr. ADAMS. That is correct. However, the engines on the SST represent a new development with a greater thrust.

Mr. TENZER. We have been told that the engine on the SST will be quieter on takeoff and landing.

Mr. ADAMS. That is correct.

Mr. TENZER. Let me say this to the gentleman: If there is a heavy payload and if additional thrust is required to lift that heavy payload into the air, the afterburner will be used, and when the afterburner is used we will have more noise than we had before.

Mr. ADAMS. I want to point out to the gentleman that that is not correct.

Mr. TENZER. I will say to the gentleman when the jet planes came to Kennedy Airfield we were told they would be quieter on takeoff and landing than the prop plane and I want you to know that living in the vicinity of Kennedy Airport is unbearable, and it must be the same in varying degrees around every other airport in the United States.

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

Mr. TENZER. I yield to the gentleman from New York.

Mr. GILBERT. Mr. Chairman, I would like to ask the gentleman whether he knows if any research has been made on this noise problem as far as the subsonic noise is concerned, forgetting about the supersonic boom?

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. GILBERT and by unanimous consent, Mr. TENZER was allowed to proceed for 2 additional minutes.)

Mr. TENZER. I would like to have the gentleman from Washington answer the question.

Mr. ADAMS. There is no such thing as a subsonic boom. And if the gentleman is referring to the noise from the jet engines, the noise from the jet engines is created by the action of the parts of the engine. The sonic boom is created by a compression of the air which occurs over a mach speed at sea level which, as a result, compresses the air, and it produces two sharp pops, bang-bang.

So I would say to the gentleman there is research on airport noise being conducted, and it involves the intake and the amount that is carried, and all of that. And a subsonic boom does not exist.

Mr. TENZER. Can the gentleman tell us what those "two sharp pop-pops" did to the window panes of homes in Oklahoma City and Nevada, and what they did to the plaster in the homes, and what they did to the pictures hanging on the walls, and what they did to the dishes on the shelves?

Mr. ADAMS. I would indicate to the gentleman that the problem he mentions is one of the main reasons for the sweeping design, and that it will not, as has been stated repeatedly by the administrator, be caused by flying over the cities by the supersonic transport at the present state of the art.

I would say also to the gentleman that if this plane develops, and it is the French Concorde or the Russian TU-144 or some other plane of the future in 1985, it is going to land over your cities. The alternative will be that it is made someplace else.

Mr. TENZER. Then we should consider

legislation to prevent those planes with that kind of boom and with that noise level from landing at our airports.

Mr. Chairman, that is why I have serious reservations about the civil supersonic aircraft development program.

The Committee on Appropriations in House Report No. 484, recommends the appropriation of \$142,375,000 for fiscal 1968 for development of two prototype supersonic transport aircraft. At the same time however, the committee admits that—

There are uncertainties in the supersonic transport development program. There always are uncertainties in development programs. There are uncertainties involving the construction of the aircraft, uncertainties involving the economic feasibility of the aircraft, and uncertainties as to the effect on the ground of the sonic boom which will be created by the SST in supersonic flight.

Recently, I was invited to be a guest lecturer at the George Washington University program of policy studies in science and technology. On April 3, 1967, I attended the seminar on sonic boom and spoke on the social and legal problems of sonic boom.

During the course of my research for this appearance and at the seminar itself, I raised a number of questions which to this date remain unanswered. I have consulted Federal officials in the various agencies and departments working on the SST program, professors, scientists, military personnel, and many others but the uncertainties remain.

One of the major questions left unanswered is the scope of the sonic boom problem and its impact on persons and property on the ground.

We do know that the Air Force supersonic aircraft tests over Oklahoma City from February 3, 1964, to July 30, 1964, generated 1,253 sonic booms. These booms caused more than 15,000 complaints and more than 9,500 damage claims of which 229 were paid by the Air Force. The damage claims included cracked plaster, broken windows, and other damage totaling over \$12,800.

More than 100 lawsuits are still pending and when viewed together with the more than 200 lawsuits now pending for property damage as a result of subsonic aircraft noise, the litigation problem poses a serious threat to Government and industry.

If SST flights are to be limited to transoceanic routes, the question arises as to whether the SST program is economically justifiable? The brochure to which I referred says only "initially" will the SST be limited to transoceanic routes.

While reducing the sonic boom problems is a major task facing the designers of the SST, there are other questions which need to be answered. One such question involves the aggravation of the aircraft noise problem at airports such as Kennedy International Airport—already facing a serious air traffic problem.

Because of my concern over the problem of aircraft noise at the subsonic level, I wrote to the Federal Aviation Agency earlier this year to ascertain what noise standards would be applied during the design stage of the SST.

On January 5, 1967, I received a communication from Maj. Gen. J. C. Maxwell, Director of Supersonic Transport Development, relating to noise reduction in designing the supersonic transport. In the memorandum which General Maxwell enclosed the "Minimum Design Objectives for the Supersonic Transport" are set forth as follows:

Maximum airport community noise levels (for maximum design gross weights and standard day conditions):

(a) Approach, 109 PNdB at one mile from runway threshold.

(b) At start of takeoff roll, 116 PNdB at 1,500 feet either side of the runway centerline.

(c) Takeoff, 105 PNdB at three miles from brake release.

Mr. Chairman, the design objectives set forth above are in most cases either slightly above or slightly below the noise levels on present subsonic aircraft. Many people in Government and industry do not believe that the design objectives can be achieved or share the opinion that in operation, especially with the temptation to use the afterburner available on the SST, the aircraft will be substantially noisier on takeoff and landing than present jet planes.

Mr. Chairman, I would rather see a portion of the funds recommended for this program used in a massive effort to find the answer to jet noise through a coordinated and concentrated research program.

At the present time we do not have official aircraft noise standards or maximum noise levels. More than 20 Members of the House have sponsored legislation to authorize the Secretary of Transportation to establish such standards, but the chances for congressional action on these bills this year are bleak.

For that reason I have written to Secretary of Transportation Alan S. Boyd, urging him to use existing authority to establish aircraft noise standards by administrative regulation.

Such action would afford some measure of protection to persons and property on the ground and would be an important step in alleviating the serious aircraft noise problem.

In 1966 the President recognized aircraft noise as a national problem. In 1967 the Federal courts held that aircraft noise was also a Federal responsibility. The Congress and the executive branch must take steps to meet their responsibilities in this area.

Mr. Chairman, I accept the statement that the development of the supersonic transport will be an important factor in strengthening the aviation industry. However, if we are to establish an agenda of priorities—it seems to me that this program can be deferred at least for this year while we develop the technology to answer the questions raised during this debate with special emphasis on jet noise research.

I urge my colleagues to join with me in expressing support for administrative action by the Secretary of Transportation to help find a solution to the problems created by the menace of jet noise before we add to the problem.

Mr. GILBERT. Mr. Chairman, I would like to compliment the gentleman in the

well, my distinguished colleague from New York, and I wish to associate myself with his remarks.

Mr. PEPPER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the national need, the visual characteristics, the performance capabilities, and the potential market for the supersonic transport are surely impressive. But I would like to comment on another aspect of this program, less tangible perhaps, but very significant to this country and the American people. That is the economic impact of the SST.

The building program, during both the prototype and production phases, will provide desirable long-term employment stability for the airplane industry. During the prototype program, the airframe and engine manufacturers and their first level of suppliers will employ some 28,000 people at the peak period. The production program, at its peak, could employ as many as 60,000.

Additional jobs will be created for thousands of workers required by the other levels of subcontracting and related businesses. When these contracts are all awarded, nearly every State in the Union will have people and businesses involved in the SST program.

When sales of the SST reach the 1,000 mark, as they are expected to, approximately \$60 billion in revenues will have been generated. I need not point out what this could mean to tax revenues alone.

The international aspects of this program could be even more rewarding. In addition to assisting the United States in its policy of continuing to expand international trade to the benefit of all countries, the SST will have a very beneficial effect on our balance of payments.

If only the low estimate of 650 aircraft sold by 1990 is achieved, a favorable impact on the balance of payments is expected of at least \$30 billion. Mr. Chairman, few programs initiated by either private industry or the Government offer such wide-ranging economic benefits. I firmly support the SST program and oppose the pending amendment.

Mr. DON H. CLAUSEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. Normally, I would be inclined to support the philosophy of the amendment as presented by my very able and distinguished colleagues Congressmen MacGREGOR and BOW. However, in this case, I am convinced the committee has explored all the possibilities and their recommendation will guarantee continuity at a very crucial stage in the development of this very important project.

Mr. Chairman, for many years, we have conducted research, built prototypes and advanced airplane construction programs for purely defense purposes. I have long advocated the building of aircraft for offense purposes—economic, technological, and international trade and travel offensive programs are desperately needed.

I believe the SST program falls in this

category. Transportation and communication advancement, in all forms, hold the key to our future security. The movement of people on a worldwide scale will increase even more so than is now occurring. We can and must be in a position to meet these transportation requirements of the future.

Therefore, it is my intent to do everything possible to advance this program, as well as all facets of aviation and airports in this country.

Mr. THOMPSON of Georgia. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment, for it would have the effect of eliminating the SST. Most of the arguments in favor of the SST have been heard and I support the majority of these arguments given in support of the program. To delay this program which would be the effect of this amendment will be very costly to our best interest.

Mr. BOLAND. Mr. Chairman, I move to strike the requisite number of words.

I rise in opposition to the amendment. We have studied the financial requirements of the SST program in considerable detail.

Our analysis indicates that this reduction would require a major redirection of the planned fiscal year 1968 program and would result in a stretchout of the entire program. Effective immediately, it would require a cutback of the manufacturers' manpower by removal from the program of valuable technical talent. Based on the best technical judgment of the FAA and the SST contractors' personnel, it is estimated that any such reduction would delay the program from 15 to 18 months and increase the total cost of the program by \$100 to \$125 million. This cost increase would be caused by the annual rise in the costs of labor and materials, plus the inefficiencies of cutting back the program, and, in later years, rehiring skilled people. For example, the seven major subcontracts that Boeing plans to execute near the end of this calendar year probably could not be awarded. In addition to delaying the program and increasing its cost, this would adversely affect thousands of jobs throughout the country and possibly result in the loss of several of these key SST subcontractors to the program.

Another detrimental effect of any such program delay would be the loss of some of the anticipated early market for the SST to the Concorde. Assuming that the Concorde would be produced at the rate of four per month, we estimate that any such delay would cost the U.S. nearly \$3 billion in initial SST sales.

I hope the amendment will be defeated.

Mr. OTTINGER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

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

There was no objection.

Mr. OTTINGER. Mr. Chairman, much has been said regarding the development of the civilian supersonic transport and more will be said today. Unfortunately

for the American taxpayer, who will ultimately foot the bill, the discussions of the SST have generated considerably more heat than light.

The House is being asked today to appropriate \$198 million and add it to the \$531 million already appropriated for a project which not only is a potential menace to health, safety, and property but which may well end up costing the Nation several billions of dollars without any demonstrable economic benefit.

The SST would have no military value whatsoever; the Secretary of Defense has made that clear on a number of occasions. From what has been said and written, the SST will benefit those international travelers who would prefer to cross the Atlantic Ocean in 2½ hours instead of 6½; it will provide jobs for scientists and engineers already in short supply; and it will protect our aircraft industry from international competition from the joint Anglo-French effort, which is already several years ahead of us in the supersonic track meet.

National pride is a fine thing, but in my view it simply would not justify a multibillion commitment at a time of severe inflationary pressure and pressing domestic needs. I cannot and will not say to the American taxpayer: the development of an aircraft in which you will probably never fly, which may break every window in your house, and which may well turn out to be an economic catastrophe is more important than improving your children's education, than providing more job opportunities, than cleaning up the air you breathe and the water you drink, than easing the pressures of rising taxes and rising prices. I will not say that and since the only effective way I can protest this supersonic silliness is to vote against the Department of Transportation appropriation, I am doing just that.

The concept of a supersonic transport as a long-range goal for the aircraft industry might just possibly be feasible, and the Federal Government's role in assisting this sort of technological development is nothing new. That is not the issue, however. The basic question before the House today is the necessity of establishing what amounts to an expensive crash program which has little chance of success. If we need any proof of how much of a gamble the SST is, just witness the reluctance of the aircraft industry to foot more than 10 percent of the bill for SST development.

We are not being asked to appropriate \$198 million for SST development today, although that amount in itself is sufficient to give us pause. We are being asked to take an irrevocable plunge down a bottomless pit of expenditure. We are being asked to accept—

First, that the sonic boom problem can be solved either technologically or by limiting the SST to ocean flights in spite of the fact that the FAA has admitted its failure to solve the subsonic noise problem of conventional jets; and

Second, that despite the fact there are no firm orders for SST's and the reluctance of the airlines to take more than a 10 percent risk, the project will be a financial success.

I do not see how Congress can give this kind of speculative venture higher priority than eliminating the blight of urban slums, providing expanded education and employment opportunities, and waging an effective war on crime. I do not see how Congress can consider an administration request to raise taxes in the absence of any serious attempt to eliminate unnecessary spending, such as this project represents.

The question of spending billions of dollars on the SST is not and should not be a matter of national pride. We can't spend our way to international respect. The real issue of the SST is fiscal responsibility, and, as such, there can be only one rational course of action. Federal funds for SST development must be shut off now.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. MacGREGOR].

The question was taken; and on a division (demanded by Mr. MacGREGOR) there were—ayes 30, noes 89.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

STATE AND COMMUNITY HIGHWAY SAFETY
(LIQUIDATION OF CONTRACT AUTHORIZATION)

For the payment of obligations incurred in carrying out the provisions of title 23, United States Code, section 402, to remain available until expended, \$20,000,000, of which not to exceed \$1,000,000 may be advanced to the appropriation "Traffic and highway safety" for administration of this program.

AMENDMENT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 12, line 9, strike out "\$20,000,000" and insert in lieu thereof "\$10,000,000".

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. Gross] in support of his amendment.

Mr. GROSS. Mr. Chairman, with the defeat of the last amendment, it seems to me that we ought to start now and try to save some money in this bill to help fund the \$144 million that is in the bill for the start of subsidizing that super-duper airplane, which will eventually cost the taxpayers more than a billion dollars.

The amendment I have offered would reduce the amount provided in the bill for State and community highway safety by \$10 million.

Mr. Chairman, I am for safety and I am sure everyone else is for safety. But those of you who were here earlier this afternoon will recall I pointed out that there are six safety divisions—six safety bureaus in this new Department of Transportation.

I say to you, while two bureaus might be necessary—one dealing with safety on the streets and highways and the other with aviation safety—I can see no logical reason for six safety bureaus in the new Department of Transportation.

In this case, and with respect to this particular expenditure, they had \$10 million for the last fiscal year. There is recommended in this bill \$20 million or an increase of \$10 million over last

year. I would point out to you that they were able to spend only \$547,000 out of the \$10 million that was allocated to them last year, that is up to the time of the hearings on this bill some three months ago.

Mr. Chairman, I can see no reason in the world why there should be this kind of increase in this particular safety program. The various States have made it clear that they are not ready with their programs.

More than that, I think the States ought to take care of much of their own safety program. What, for instance, can the Federal Government do by way of telling those in Iowa how to operate buses safely? Why should we spend the money of the taxpayers of this country to tell highway patrolmen and others in the State of Iowa and other States how to remove debris from the highways?

Mr. Chairman, doubling the funds for this purpose ought to at least await the submission of programs by the States. I submit that we ought to keep this program lean, I will say to the Chairman of the subcommittee, and I think he ought to agree to this amendment. We ought to keep this whole new Department lean until we see where it is headed. Keep it lean and hungry, and operating on a minimum amount of money at this time when the Nation is floundering in debt. I urge the acceptance of my amendment.

Mr. McFALL. Mr. Chairman, I rise in opposition to the amendment. The committee thought that they had cut this program rather severely. The authorization by the Public Works Committee and by this Congress provides for a contract authorization for these types of program of \$100 million a year. The programs which are involved include motor vehicle inspection, driver education and training, driver licensing and performance, traffic safety data systems, accident investigation, pedestrian safety, schoolbus safety, motorcycle safety, debris removal, as the gentleman points out, and community support.

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

Mr. McFALL. I yield to the gentleman from Massachusetts.

Mr. BOLAND. A lot of the programs which the gentleman from California is now reading are fine programs. They ought to be funded in 1968. They ought to be funded also in fiscal year 1969.

The remarks of the gentleman from Iowa, I think, indicate clearly that some of the programs ought to be looked at. That is precisely what the subcommittee tried to do. The reduction from \$100 million requested to \$20 million is a rather substantial reduction. There are some 45 States now that have indicated that they want to qualify and come into the program. It will be made available. I think they can use the \$20 million wisely. They could have used \$100 million very unwisely on some of the programs to which the gentleman from Iowa objected.

Mr. McFALL. As the chairman points out, the committee wanted this program to go ahead slowly. This highway safety program is an important item in our national life, and we do not want to ham-

string this new Department of Transportation and the highway safety departments of the States throughout the country if they can possibly put together highway safety programs which will result in the saving of the lives of the people of our country.

The evidence before the committee indicated that in this program this year they were only able to obligate some \$2 million. Most probably they will not be able to obligate all of the \$20 million allowed in the pending bill. Yet at the same time we felt that we had cut them deeply enough so that they would have an opportunity to expand this important safety program wisely.

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

Mr. McFALL. I am very happy to yield to the gentleman from Iowa.

Mr. GROSS. What happened to the approximately \$9.5 million that was unexpended from the appropriation of last year?

Mr. McFALL. It remains unexpended. In the contract authorization program they did not spend the money, and so it goes unspent.

Mr. GROSS. So raising the amount to \$20 million means that you have close to \$30 million available?

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

Mr. McFALL. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Actually the money that has been spent on the program as of today is around \$2 million. The figure of \$547,000 the gentleman from Iowa used is a correct one as of May 1. Since that time, as you know better than most people, they have quickly obligated their funds to the extent of about \$2 million. So there is \$8 million which carries over in contract authority.

If they go to the States on a dollar-for-dollar matching basis, then we have to get the necessary money for that.

Mr. GROSS. Why not give them \$18 million? They have \$10 million from last year, and with the carryover, with the \$18 million plus \$10 million, this certainly ought to be sufficient for them in light of the fact that they only used \$9.5 million of the \$10 million made available last year.

Mr. BOLAND. Mr. Chairman, if the gentleman will yield further, section 401 in the bill restricts them to \$20 million.

Mr. GROSS. What then becomes of the \$8 million?

Mr. BOLAND. They just do not spend it.

Mr. McFALL. In section 401, it is provided that they cannot obligate more than the amount of \$20 million authorized this year.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 39, noes 79.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

MOTOR CARRIER SAFETY

For necessary expenses to carry out motor carrier safety functions of the Secretary as

authorized by the Department of Transportation Act (80 Stat. 939-40); \$1,670,000.

FOREST HIGHWAYS (LIQUIDATION OF CONTRACT AUTHORIZATION)

For payment of obligations incurred in carrying out the provisions of title 23, United States Code, section 204, pursuant to contract authorization granted by title 23, United States Code, section 203, to remain available until expended, \$32,000,000, which sum is composed of \$6,950,000, the balance of the amount authorized to be appropriated for the fiscal year 1966, and \$25,050,000, a part of the amount authorized to be appropriated for the fiscal year 1967: *Provided*, That this appropriation shall be available for the rental, purchase, construction, or alteration of buildings and sites necessary for the storage and repair of equipment and supplies used for road construction and maintenance but the total cost of any such item under this authorization shall not exceed \$15,000.

PUBLIC LANDS HIGHWAYS (LIQUIDATION OF CONTRACT AUTHORIZATION)

For payment of obligations incurred in carrying out the provisions of title 23, United States Code, section 209, pursuant to the contract authorization granted by title 23, United States Code, section 203, to remain available until expended, \$9,000,000, which sum is composed of \$900,000, the balance of the amount authorized for the fiscal year 1966, \$7,000,000, the amount authorized to be appropriated for the fiscal year 1967, and \$1,100,000, a part of the amount authorized to be appropriated for the fiscal year 1968.

INTER-AMERICAN HIGHWAY

For necessary expenses for construction of the Inter-American Highway, in accordance with the provisions of section 212 of title 23 of the United States Code, \$5,000,000, to remain available until expended.

CHAMIZAL MEMORIAL HIGHWAY

For necessary expenses to carry out the provisions of the Act of November 8, 1966 (Public Law 89-795), \$4,000,000, to remain available until expended.

ALASKAN ASSISTANCE

For necessary expenses for construction and maintenance of highways in the State of Alaska, as authorized by the Federal-Aid Highway Act of 1966 (80 Stat. 768), \$4,000,000, to remain available until expended.

REPAIR AND RECONSTRUCTION OF HIGHWAYS

For repayment to the Highway trust fund, \$15,097,772, which sum is composed of \$1,089,111 for the increased expenditures made for the repair and reconstruction of highways in Alaska, as authorized by section 3 of the 1964 Amendments to the Alaska Omnibus Act (78 Stat. 505), and \$14,008,661 for the repair and reconstruction of highways, roads, and trails, as authorized by section 2 of the Pacific Northwest Disaster Relief Act of 1965 (79 Stat. 131).

GENERAL PROVISION

SEC. 401. None of the funds provided in this title shall be available for the planning or execution of programs the obligations for which are in excess of \$20,000,000 in fiscal year 1968 for "State and Community Highway Safety".

TITLE V—FEDERAL RAILROAD ADMINISTRATION

OFFICE OF THE ADMINISTRATOR

SALARIES AND EXPENSES

For necessary expenses of the Federal Railroad Administration, including uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901; 80 Stat. 299); hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109; \$680,000.

BUREAU OF RAILROAD SAFETY

For necessary expenses of the Bureau of Railroad Safety, not otherwise provided for,

including uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901; 80 Stat. 299); hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109; \$3,414,000.

HIGH-SPEED GROUND TRANSPORTATION RESEARCH AND DEVELOPMENT

For necessary expenses for research, development, and demonstrations in high-speed ground transportation, \$10,300,000, to remain available until expended.

RAILROAD RESEARCH

For necessary expenses for conducting railroad research activities, \$200,000, to remain available until expended.

ALASKA RAILROAD

ALASKA RAILROAD REVOLVING FUND

The Alaska Railroad Revolving Fund shall continue available until expended for the work authorized by law, including operation and maintenance of oceangoing or coastwise vessels by ownership, charter, or arrangement with other branches of the Government service, for the purpose of providing additional facilities for transportation of freight, passengers, or mail, when deemed necessary for the benefit and development of industries or travel in the area served; and payment of compensation and expenses as authorized by 5 U.S.C. 8146, to be reimbursed as therein provided: *Provided*, That no employee shall be paid an annual salary out of said fund in excess of the salaries prescribed by the Classification Act of 1949, as amended, for grade GS-15, except the general manager of said railroad, one assistant general manager at not to exceed the salaries prescribed by said Act for GS-17, and five officers at not to exceed the salaries prescribed by said Act for grade GS-16.

TITLE VI—OTHER ACTIVITIES

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The Saint Lawrence Seaway Development Corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such Corporation, except as hereinafter provided.

LIMITATION ON ADMINISTRATIVE EXPENSES, SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Not to exceed \$514,000 shall be available for administrative expenses which shall be computed on an accrual basis, including not to exceed \$3,000 for official entertainment expenses to be expended upon the approval or authority of the Secretary of Transportation, hire of passenger motor vehicles, uniforms or allowances therefor for operation and maintenance personnel, as authorized by law (5 U.S.C. 5901; 80 Stat. 299), and \$5,000 for services as authorized by 5 U.S.C. 3109.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

For necessary expenses of the National Transportation Safety Board, including employment of temporary guards on a contract or fee basis; hire, operation, maintenance, and repair of aircraft; hire of passenger motor vehicles; services as authorized by 5 U.S.C. 3109; and uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901; 80 Stat. 299); \$4,000,000.

TITLE VII—GENERAL PROVISIONS

SEC. 701. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

This Act may be cited as the "Department of Transportation Appropriation Act, 1968".

Mr. BOLAND (interrupting the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. Are there any points of order to the remainder of the bill?

If not, are there any amendments to be offered?

Mr. BLATNIK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask the able and respected chairman of the subcommittee a question. On page 14, line 20, with respect to section 401, to which reference was made a few minutes ago in response to the amendment by the gentleman from Iowa, the section in which the funds are limited to \$20 million for fiscal year 1968, I have a question for the purpose of clarification and for the record.

I ask the gentleman from California [Mr. McFALL] if I am correct in understanding that this section makes no change in the basic contract obligational authority contained in the Highway Safety Act of 1966?

Mr. McFALL. Mr. Chairman, if the gentleman will yield, I wish to assure the very able gentleman from Minnesota, who is asking these questions on behalf of the House Public Works Committee. Certainly that committee has an essential interest in this program, since they are the authorizing committee that has presented this program to the House of Representatives. All this does is provide a limitation on the contract authority for the fiscal year 1968. There would be no basic change in the law. There is no limitation on future years in the bill. If this program can be developed so that \$100 million a year could be wisely spent in years following, then, of course, that will be considered at that time. There is no basic change in the law.

Mr. BLATNIK. Mr. Chairman, I appreciate that, and that does clarify it. We thought for a moment that perhaps there was some legislative alteration of the intent of the authorization and of the Act of 1966.

Mr. Chairman, while personally I would hope for a larger appropriation, I do recognize the merit in the argument of the chairman of the subcommittee and of the gentleman from California that more information is necessary before larger amounts can be authorized or approved on contract authority.

As the chairman of the subcommittee pointed out, last year in 1966, many State legislatures were not in session. Many state safety agencies did not have the proper authority or the appropriations to participate in this new program, and therefore they could not obligate or commit themselves to the programs proposed by this new Department of Transportation.

As of this January 1967, however, as the chairman pointed out, I believe as

many as 45 State legislatures were in session. Most of those States by now either have taken the necessary legislative action or are considering action to participate in this 50-50 program with the Department of Transportation.

So a year from now we will have much more information on what the program is accomplishing and how it is performing, and we will be in a better position to evaluate the future course of the program.

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

Mr. BLATNIK. I yield to the gentleman from California.

Mr. McFALL. I hope the gentleman's committee, the great Committee on Public Works, will look into this program and perhaps report to the House, concerning its progress in the States.

Mr. BLATNIK. I am in accord with that suggestion and shall so recommend to our Public Works Committee. I thank the gentleman very much.

AMENDMENT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 13, strike out lines 20 through 24 inclusive.

Mr. GROSS. Mr. Chairman, this amendment would simply strike out \$5 million for the Inter-American Highway, the boondoggle which has cost our taxpayers more than \$170 million, and which was supposed to have ended years ago.

This is the type of appropriation funding that ought to be in the foreign aid bill, if it belongs here at all.

This highway was estimated to cost a total of \$100 million when it was authorized.

It has already cost \$268 million, of which the United States has put up some \$170 million.

I am glad to see the gentleman from New York on the floor, because he is one of the gentlemen who assured me and other Members of the House several years ago that that year was the last in which we would be asked for an appropriation. If I remember correctly, and I say it was some years ago, he got his information from Mr. Whitton of the Bureau of Public Roads.

Mr. ROONEY of New York. Mr. Chairman, will the distinguished gentleman yield?

Mr. GROSS. I am delighted to yield to the gentleman from New York.

Mr. ROONEY of New York. I know the gentleman will forgive me if I cannot assure him of the accuracy of his last statement.

I merely rose to inquire if this were not the highway which was the brainchild of President Franklin D. Roosevelt and Somoza of Nicaragua? Is this not the highway? We have discussed it many times.

Mr. GROSS. I was not here at the time of Franklin D. Roosevelt. I do not know whether that was the Rama Road or the Inter-American Highway. It was one or the other, and it is for dead sure and certain that our taxpayers have been raided for a lot of money for both of them.

Mr. ROONEY of New York. The gentleman realizes that during the time of the alleged stoppage of this highway we had a period of 8 years of the Eisenhower administration. We did not stop building this highway in those 8 years, did we?

Mr. GROSS. No, but the gentleman was telling us, about that time, that it was the last time he would be in asking for money for it.

Mr. ROONEY of New York. I cannot verify the accuracy of that statement.

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

Mr. GROSS. I am glad to yield to the gentleman from Ohio. He is another gentleman who told us we had reached the end of the road several years ago.

Mr. ROONEY of New York. As a matter of fact, I would trust the accuracy of the gentleman from Ohio, when it comes to this subject, more so than anyone else.

Mr. BOW. The gentleman from Iowa is absolutely correct. Back in the days when the gentleman from New York was a member of the subcommittee it was the Subcommittee on Commerce, under the chairmanship of our late and distinguished friend, Prince Preston. And, yet, we had the question of the Inter-American Highway, which is not the one to which President Roosevelt agreed. That was the Rama Road.

Mr. Chairman, we had the testimony presented before us—and we raised the question: For how long is this going to go on? We were assured that that was the last appropriation. Depending upon the testimony before that committee, I advised this House that there would never be another appropriation for the Inter-American Highway.

Mr. Chairman, I apologize now to the House, because we have had it practically every year since then.

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

Mr. GROSS. Yes, I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, let me say that we now have the assurance that there will be no further request for authorization or appropriation, beyond the \$7 million proposed for fiscal year 1968.

Mr. ROONEY of New York. Mr. Chairman, will the gentleman yield further?

Mr. GROSS. Yes, I yield further to the gentleman from New York.

Mr. ROONEY of New York. Of course, all of us realize that we cannot be responsible for climactic conditions down "that-away."

Mr. GROSS. Mr. Chairman, I am glad to hear once again that this is the last time around. I heard it for a good many years, but I am glad to hear it again. I hope that the members of the Committee will support my amendment. That will make certain this is the last time around.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. Gross].

The question was taken; and on a division (demanded by Mr. Gross) there were—ayes 45, noes 91.

So the amendment was rejected.

Mr. WRIGHT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, because of the frivolity of some of the comments made with respect to the Inter-American Highway, and in order to keep the record completely straight, something should be said concerning the truly great importance and very real value of that road.

The Pan American Highway is the oldest dream of engineers and statesmen in this hemisphere. It was first officially recommended by Henry Clay in 1834. It was formally adopted as a policy of the American Republics in 1929. For more than 30 long years, mile by tortuous mile, through some of the most rugged terrain in the Americas, men of good will and stubborn faith have moved forward to accomplish its state of near completion today.

When it is completed, the Pan American Highway will be the longest continuous stretch of road in the entire world. For more than 14,000 miles—from the ice-locked tundra of Alaska to Tierra del Fuego at the southernmost tip of the hemisphere—it will be possible for Americans—North, Central, and South Americans—to drive on one ribbon of highway.

The Inter-American Highway is a 3,142-mile segment of the total Pan American Highway. It extends from the Texas border through Mexico and Central America to a point about 34 miles below the Panama Canal. Mr. Chairman, I have driven this portion of the highway. I believe very firmly in its present value and its future potential.

Today the entire Pan American Highway as envisioned almost 40 years ago is complete for traffic except for one stretch of some 400 miles in what is called the Darien jungle. This is a long, narrow isthmus which connects Central with South America. Engineering studies are underway to link up the 8,000 miles of usable road to the north with the 6,000 miles of completed road to the south.

We of the United States have spent some \$162 million over the years as our part of this project. That is more than was originally anticipated that it would cost, to be sure. But I know of nothing which can be built today on the price scale of the 1930's.

Mr. Chairman, I believe the vote the House has just taken demonstrates that we recognize and appreciate the value of this, the most tangible and most concrete example of hemispheric solidarity that these American Republics have been able to accomplish jointly in all these years. Having invested \$162 million, and having brought the total program so near to completion, surely it would be foolish for us to abandon the project now, when the goal is so closely within reach.

The present bill contains only \$5 million to complete the paving of short fragments of the road in Costa Rica and Guatemala. Having set our hand to the plow and having come so near to the end of the furrow, surely we do not want to look back now.

This is a great dream. This is a great project. Latin America is our best customer. This program has been an outstandingly good investment for the United States. Not only has this highway opened markets for American investors and American businessmen, but Latin America today buys so much more from

us than we buy from them that even when you count the billions of dollars that we have put into the Alliance for Progress, our balance of payments position with our Latin American Republics is still a favorable balance from our point of view. And you cannot say this about many other regions of the world.

Not only has it improved commerce between us and our Latin American neighbors; this road has improved their commerce between themselves. Partly through its inspiration, Central American countries have developed their own Common Market. It has helped to stabilize their political institutions; it has assisted in bringing about hemispheric solidarity in a very real way. It has given these countries the impetus to reach out into isolated mountain villages to build the lateral roads that connect with this arterial highway. They have been providing the ribs to connect with this spinal column and veins of commerce and culture that flow into this main artery.

It is not a luxury superhighway by American standards. It could not be for \$162 million. But let me tell you what our Latin American neighbors have put into it.

Mexico has put that much into it on her own. She did not take a penny of help from us to complete and connect the entire Pan American Highway through Mexico. South American Republics have put up some \$500 million to bring it 6,000 miles through their countries from the southern tip of Argentina up to the Darien Gap in Colombia. We paid none of that. The Central American Republics, small though they are, have contributed approximately \$92 million. The ratio in all is about 5 to 1. For every dollar we have put into it, Latin Americans have put up \$5.

If in the future we should decide to assist in connecting up the Darien Peninsula, the missing link in the chain, then that too will be an excellent investment.

In Latin America they have a saying that goes: "Caminos traen riquezas, y caminos traen amigos," and that translated means "Roads bring riches, and roads bring friends."

I think this is a very good, concrete—and I do not mean a pun—example of what we can do in this hemisphere and on this continent to work more effectively toward hemispheric solidarity and friendship. I believe it is a good investment. I do not believe we need to apologize for it. I believe we need to brag about it.

The CHAIRMAN. The time of the gentleman has expired.

AMENDMENT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 14, line 4, strike out "4,000,000," and insert in lieu thereof "\$2,000,000."

Mr. GROSS. Mr. Chairman, my amendment would eliminate the \$4 million for the infamous Chamizal Road in and near El Paso, Tex. This four-lane highway is due to cost the Nation's taxpayers about \$14 million when com-

pleted. The \$4 million in this bill is just the downpayment.

Here is another boondoggle for Texas and Mexico. In this case it was President Lyndon Johnson who went to El Paso a couple of years ago and made a commitment to the Mexican Government involving some \$14 million for the building of a superhighway along the border at El Paso, which very conveniently fits into the picture of fast traffic to the fleshpots and race track over in Juarez, Mexico.

My amendment would simply take away the \$4 million and cut this latest Texas boondoggle out of the bill.

That is all there is to it, Mr. Chairman.

Mr. WHITE. Mr. Chairman, I rise in opposition to the amendment.

This highway was authorized by the 89th Congress—Public Law 89-795. The Federal Government is authorized to pay all rights-of-way and preliminary engineering costs, and half of the construction costs, the remaining half to be paid by the State of Texas or the city of El Paso.

The construction of this highway along the U.S. bank of the Rio Grande is a project to complement the settlement of the Chamizal boundary dispute between the United States and Mexico.

The Chamizal Treaty, which was ratified on January 14, 1964, peacefully settled a 100-year-old dispute between the United States and Mexico. In dispute was a 427-acre tract of land known as the Chamizal, which was formed north of the present channel of the Rio Grande in El Paso, Tex., by the movement of the river southward in 1853.

The Chamizal Treaty is an achievement in the proudest of American diplomatic traditions, the peaceful settlement of a dispute. The treaty provides that approximately 630 acres of land in southern, downtown El Paso be transferred to Mexico, and 193 acres of land under Mexican jurisdiction be transferred to the United States, or a net loss to the city of El Paso of 427 acres.

Following the Chamizal settlement, a complementary program to develop the American section of land was proposed by the Federal Government, through its executive and legislative branches, working in close cooperation with the county and city of El Paso. The treaty provides for the relocation of the Rio Grande channel, relocation within the Chamizal section of the irrigation canal, and compensation of the occupants of the lands involved in the transfer. These efforts are well underway.

I would like the House in considering this amendment to keep in mind the following points: First, this road will be on the international border, from which the United States will directly benefit. There are 60,000,000 persons per year crossing at the El Paso points of entry between Mexico and the United States. This highway connects all points of entry, thereby facilitating this heavy flow of international traffic. This road will provide greater efficiency for all U.S. Government law enforcement agencies along the international boundary.

Second, the Bureau of the Budget, the State Department, the U.S. Boundary

Commission, the Bureau of Public Roads have all endorsed this road.

Upon completion, the highway would not become a part of the Federal-aid highway system. The Secretary of Transportation is authorized to convey all right, title, and interest of the United States to the State of Texas or the city of El Paso. Thus, maintenance of the highway would be the responsibility of the State or the city.

Third, troops and dignitaries from 43 countries training at Fort Bliss, and tourists from Mexico judge the United States by what they see in El Paso. El Paso is a window to Latin America. To many of their citizens El Paso is their only view of the United States.

Mexico has initiated a handsome border beautification program on its side of the international border in Ciudad Juarez, and it is highly appropriate that the United States equally participate in this development program.

Fourth, the river is being relocated now, and this road can now be built simultaneously, more orderly, and more economically. Mexico has a beautification program underway; this would be part of our effort to improve and beautify our international border.

Fifth, the city of El Paso lost a net of 427 acres of its historic, and improved downtown area, including 7 miles of streets without compensation, and utility equipment. This represents not only important land, and future growth area, but \$27,000,000 of valuation and \$320,000 annual taxes. Much of this land constituted our industrial area. In addition, El Paso donated a \$250,000 parcel of land to the U.S. Government for its displaced border patrol station. About 5,500 residents were displaced.

Sixth, the people of El Paso accepted these losses, because it served the diplomatic purposes of the United States. At the time, and throughout all appearances in the Congress on the treaty, this highway was mentioned favorably, and the people of El Paso were pledged the support of the responsible agencies toward obtaining this highway, as one of the few reimbursements for the losses of the city and the people of El Paso. It is an auxiliary project arising from the Chamizal Treaty.

Seventh, for 100 years this Chamizal dispute with Mexico stymied part of the growth of El Paso, including this southern road loop which the city has wanted to construct since 1927. It was the United States and Mexico that held this land in limbo, not the city of El Paso.

The Bureau of Public Roads has determined that expected traffic volumes justify the construction of this highway. The access which it would provide to certain parts of the city will serve to develop these parts both physically and commercially.

The Texas Highway Commission has given the Department of Transportation a letter of intent to participate in 50 percent of the cost of construction of this highway and it will enter into a written agreement before construction begins.

The Bureau of Public Roads is anxious to begin acquiring the necessary property as soon as possible because of ris-

ing land costs. Any delay would result in increased expenditures.

The Bureau of the Budget recommended an appropriation of \$8,000,000 to fully carry out the provisions of Public Law 89-795. The Appropriations Committee provided only half that amount in this bill, \$4,000,000.

In order to strengthen our national and international bearing, and in fairness to a city that otherwise has asked little, but has lost valuable land in the interests of U.S. foreign relations, I ask your support.

Mr. BOLAND. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

Mr. Chairman, I only rise to say that the request was for \$8 million and we reduced it to \$4 million.

The \$4 million will enable the Department of Transportation to go along with the planning and engineering and the acquisition of rights-of-way.

I think if we reduce it to \$2 million, we would not be able to acquire the property that is necessary to construct this road. The value of the land required for rights-of-way are increasing every year. I think it really would cost us more money if we reduce this by the \$2 million that the gentleman from Iowa suggests that we do.

Mr. Chairman, I oppose this amendment.

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

Mr. BOLAND. I yield to the gentleman.

Mr. GROSS. Why not let them build their own road to hook up with the Tijuana racetrack—I mean the Juarez racetrack.

Mr. BOLAND. We do not want it to hook up with Tijuana, which is a thousand miles away, or Juarez.

Mr. GROSS. I am referring to the Juarez racetrack.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

AMENDMENT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 14, delete lines 5 to 9 inclusive.

Mr. GROSS. Mr. Chairman, this is another new program in the bill at a cost of \$4 million, and there is not even a budget estimate for it. It provides for the maintenance of highways in Alaska. It is one thing to construct roads; it is another thing to go into States and maintain those roads. It seems to me about the least the State of Alaska can do is to maintain its own roads. I ask support for the amendment, for I can think of no valid reason why the State of Alaska should be given special treatment that is accorded no other of the 49 States in the matter of maintenance.

Mr. POLLOCK. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Alaska is recognized for 5 minutes.

Mr. POLLOCK. Mr. Chairman, section 7 of the Federal Aid to Highway Act of 1966 authorized the appropriation of special Federal funds in the amount of \$14 million for each of the fiscal years 1968 through 1972 for highway construction and maintenance in Alaska. These funds were authorized to be appropriated from the general fund in addition to the regular Federal aid to highway primary, secondary, and urban highway funds apportioned annually to Alaska.

Mr. Chairman, the special Alaska assistance section of the Federal Aid to Highway Act of 1966 was the recognition by Congress of the situation which exists in Alaska and which is substantially different from any of the rest of the Nation. It is a unique situation worthy of special treatment. It was also enacted by Congress in recognition of the neglect, the discrimination and the inequitable treatment given to Alaska in the past.

Since the inception of the Federal-aid ABC highway program in 1916 Alaska has never received an equal or appropriate share of the funds under this program, and, ladies and gentlemen, Alaska has never participated in or benefited from the financing of the Interstate Highway System which is enjoyed by every other State and Puerto Rico.

Last year the President requested in the budget approximately \$140 million under the Appalachia Regional Development Act of 1965 for highway and access road development. It is my understanding that some \$100 million of the funds appropriated by the 89th Congress for this fiscal year remain unexpended, and yet the President this year requested an additional \$100 million which the Appropriations Committee reduced to \$95 million. This is difficult to understand taken in light of the treatment of Alaska when we realize that the 586,400 square miles of the State of Alaska constitutes approximately 16 percent or one-sixth of the total land area of the United States. Alaska has less than 7,000 miles of roads of all classes. This mileage is only 0.2 percent of the Nation's road system, but it serves (or rather fails to serve) one-sixth of the Nation's entire area. It is evident, therefore, that funds needed to push roads into undeveloped Alaska, which have not been available in the past must be made available in the present if the Nation is to have any chance to reap the great potential benefits of its vast resource reserves.

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

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

Mr. MINSHALL. I would like to commend the gentleman from Alaska on the fine statement he is making and the fine statement that he made before our subcommittee. He has pursued his cause with perseverance. He gave us a very, very good report before our subcommittee, and, as the report shows, this is the only place in our entire bill where we went over the budget.

I simply hope that the House will vote against the amendment.

Mr. POLLOCK. I thank the gentle-

man. If I might continue, Mr. Chairman, I wish to emphasize again that Alaska is the only State in the Union not participating in the Interstate Highway program, although a fuel tax is collected in Alaska as it is everywhere else. The impact of this appropriation on the Federal highway budget is virtually nil. If we had the entire \$14 million which we requested, we would have only nine one-hundred-thousandths of 1 percent of the total Federal Budget, and even this has been cut from \$14 million down to \$4 million.

Nevertheless, while it is very, very small, as far as its impact on the national budget is concerned, it certainly has a great and substantial impact in Alaska.

In a report of the Committee on Public Works of the Senate on S. 3155, pages 30 and 31, there is a discussion of the Alaska assistance section. I would like to quote just a small portion. It states:

The committee reiterates its earlier comment that the State of Alaska, due to its size, its small population, its climatic and seismic conditions and its distance from the other continental States, possesses absolutely unique problems. For these reasons the committee emphasizes that Section 6 of S. 3155 proposes unique efforts to solve these problems, and these recommendations are not to be construed as a precedent for any other State.

Gentlemen, we are treated differently in that we are denied the same benefits every other State receives in the Interstate Highway program. What I am asking, gentlemen, is, out of simple fairness, to give us what we badly need. We need the \$14 million. It has been reduced to \$4 million. Now there is an amendment to entirely delete the remaining \$4 million. While we pay the gas tax, we are the only State denied Interstate funds. I urge you not to support the amendment.

As a matter of fact, I ask in the interest of common fairness that the amendment which is before the House be soundly defeated.

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

Mr. POLLOCK. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, the gentleman states the case as the subcommittee saw it. We agreed with him. I hope the amendment is defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

Mr. LAIRD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to explain the motion to recommit which I intend to offer to this bill.

Probably every Member is familiar with the fact that the executive branch of the Government is currently engaged in a review and a reestimate of the current budget situation and outlook.

In recent weeks, I have had an opportunity to visit with officials in the Department of Health, Education, and Welfare and the Department of Labor, and I know something of the painful process through which they are going to revise, to reduce the budget expenditure estimates for the current fiscal year 1968. It is of course a Government-wide

review, affecting all agencies, because the executive branch now realizes that we are facing a possible budget deficit in fiscal year 1968 of the incredible sum of upward of \$30,000,000,000.

I would point out that this review is being made while nearly all of the President's budget requests are still pending consideration in Congress. The fiscal situation is critical, and we should avail ourselves of every opportunity to make reductions. I think it is imperative that this Congress manifest its concern, and also its desire to have the expenditure rates for fiscal year 1968 reduced.

According to my information, the bill before us today involves budget expenditure estimates for fiscal year 1968 of roughly \$1,550,000,000. My amendment, which will be offered in the motion to recommit, will provide that this expenditure level, for fiscal year 1968, be scaled down by 5 percent—which, on a base of \$1,550,000,000, would be about \$77,000,000.

Unquestionably, in the current budget review in the executive branch, reductions in fiscal 1968 expenditures of this magnitude, and perhaps even greater, not only can be made but may well be made, especially in view of the possibility of a \$30 billion deficit which this country faces in its Federal budget for fiscal year 1968.

It is a situation we must begin to face. This is a way to begin. It is only 5 percent. According to my information, this may not be as great as the reductions in spending estimates being considered by the executive branch in education and health and in some other areas of public spending during the current fiscal year 1968. But it is a step in the direction which it seems to me we ought to take.

I would hope that a majority of the House would join in support of cutting back the expenditure estimates by 5 percent in this new department for the current fiscal year 1968.

Mr. O'NEILL of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to pay tribute to the magnificent manner in which the chairman of the Subcommittee on Appropriations, Transportation, has presented this legislation.

It is obvious that the gentleman's complete knowledge of the items has impressed the Members of this body.

Ed BOLAND and I have been friends for 30 years. We came to Congress together more than 15 years ago; we have shared an apartment together. I can testify that Ed BOLAND has done his homework—night after night he has burned the midnight oil—pouring over the day's hearings, preparing himself for the following day's witnessess.

The work of putting this new committee together—this outstanding report—is a great contribution by this learned and hard-working Congressman.

It is deeply appreciated and I extend to him my sincere congratulations.

Mr. BOLAND. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I listened with a great

deal of interest to the distinguished and able gentleman from Wisconsin. I would hope that the motion to recommit would not prevail. The bill that this subcommittee has brought to this floor today has the sharpest reduction of all the appropriation bills that have come to this floor this session. The overall reduction is 11 percent. This certainly would seem to me to be sufficient. I think it is a fair reduction. I would hope that the committee would stand by that.

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

Mr. BOLAND. I yield to the distinguished gentleman from Wisconsin.

Mr. LAIRD. Mr. Chairman, the distinguished gentleman from Massachusetts is speaking about the appropriation level, not the expenditure estimates of fiscal 1968. In this bill, only about 70 percent of those appropriations would probably normally be expended in the first year; that is, in fiscal year 1968. My remarks go to the expenditure rate, not the appropriations for the fiscal year 1968. And that would also bring in the matter of expenditures from carryover balances.

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

Mr. BOLAND. I am delighted to yield to the chairman of the Appropriations Committee.

Mr. MAHON. Is it not true that the proposed motion to recommit would probably save no money? And it would come on the heels of an 11-percent reduction, which is the largest percentage reduction made in any appropriation bill this year, in some critical and important programs. Does not the gentleman agree that it would be a mistake for the House today to adopt the motion to recommit?

Mr. BOLAND. The gentleman makes a persuasive argument, and I agree with him.

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

Mr. BOLAND. I am delighted to yield to the gentleman from Wisconsin.

Mr. LAIRD. I should like to allude to the remarks made by our distinguished chairman, the gentleman from Texas [Mr. MAHON].

This is the same kind of a reduction the President of the United States was talking about only last week. It seems to me that we should, as the executive branch is doing, concern ourselves with expenditure rates for the current year. The 11 percent mentioned by the gentleman from Texas refers to appropriation requests, not expenditures.

I believe it important that Congress cooperate in the current executive branch budget review and in effect say that we have a majority of the Congress willing to stand up for an expenditure limitation while we are engaged in this major war in Southeast Asia.

Mr. BOLAND. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. UDALL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee,

having had under consideration the bill (H.R. 11456) making appropriations for the Department of Transportation for the fiscal year ending June 30, 1968, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

MOTION TO RECOMMIT

Mr. LAIRD. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. LAIRD. I am, in its present form, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. LAIRD moves to recommit the bill to the Committee on Appropriations with instructions to that committee to report it back forthwith with the following amendment: On page 18, immediately following line 15, insert a new section as follows:

"Sec. 702. Money appropriated in this Act shall be available for expenditure in the fiscal year ending June 30, 1968, only to the extent that expenditure thereof shall not result in total aggregate net expenditures of all agencies provided for herein beyond 95 per centum of the total aggregate net expenditures estimated therefor in the budget for 1968 (H. Doc. 15)."

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 213, nays 188, not voting 30, as follows:

[Roll No. 173]

YEAS—213

Abbott	Button	Eshleman
Abernethy	Byrnes, Wis.	Findley
Adair	Cahill	Fino
Anderson, Ill.	Carter	Fisher
Andrews, Ala.	Cederberg	Ford, Gerald R.
Arends	Chamberlain	Fountain
Ashbrook	Clancy	Frelinghuysen
Ashmore	Clausen,	Fulton, Pa.
Ayres	Don H.	Galifianakis
Bates	Clawson, Del.	Gardner
Battin	Cleveland	Gathings
Belcher	Collier	Goodell
Bell	Colmer	Gooding
Bennett	Conable	Green, Oreg.
Berry	Conte	Griffiths
Betts	Corbett	Gross
Bevill	Cramer	Grover
Blester	Cunningham	Gude
Blackburn	Curtis	Gurney
Bolton	Davis, Wis.	Haley
Bow	Dellenback	Hall
Bray	Denney	Halleck
Brook	Derwinski	Halpern
Broomfield	Devine	Hammer-
Brozman	Dickinson	schmidt
Brown, Mich.	Dole	Hansen, Idaho
Brown, Ohio	Dorn	Harrison
Broyhill, N.C.	Dowdy	Harsha
Broyhill, Va.	Duncan	Harvey
Buchanan	Dwyer	Heckler, Mass.
Burke, Fla.	Edwards, Ala.	Henderson
Burton, Utah	Erlenborn	Horton
Bush	Esch	Hosmer

Hunt
Hutchinson
Ichord
Jarman
Johnson, Pa.
Jonas
Jones, N.C.
Kastenmeier
Keith
King, N.Y.
Kleppe
Kornegay
Kupferman
Kuykendall
Kyl
Laird
Langen
Latta
Lennon
Lipscomb
Lloyd
Long, La.
Lukens
McClary
McClure
McCulloch
McDade
McDonald,
Mich.
McEwen
McMillan
Macdonald,
Mass.
Mailliard
Martin
Mathias, Calif.
Mathias, Md.
May
Mayne
Meskill

Michel
Miller, Ohio
Minshall
Mize
Montgomery
Moore
Morton
Mosher
Myers
Nelsen
Nichols
Ottinger
Pettis
Pirie
Poff
Price, Tex.
Pucinski
Quie
Quillen
Rallsback
Randall
Reid, Ill.
Reid, N.Y.
Reinecke
Rhodes, Ariz.
Riegler
Robison
Rogers, Fla.
Roth
Rumsfeld
Ruppe
Sandman
Satterfield
Saylor
Schadeberg
Scherle
Schneebeli
Schweiker
Schwengel
Scott

Selden
Shriver
Skubitz
Smith, Calif.
Smith, Okla.
Snyder
Springer
Stafford
Stanton
Steiger, Ariz.
Steiger, Wis.
Stratton
Sullivan
Taft
Talcott
Teague, Calif.
Thompson, Ga.
Thompson, Wis.
Tuck
Utt
Vander Jagt
Vigorito
Wampler
Watkins
Watson
Whalen
Whalley
Widnall
Williams, Pa.
Wilson, Bob
Winn
Wolff
Wyatt
Wydler
Wyllie
Wyman
Zion
Zwack

NAYS—188

Adams
Addabbo
Albert
Anderson,
Tenn.
Andrews,
N. Dak.
Annunzio
Ashley
Aspinall
Baring
Bingham
Blanton
Blatnik
Boggs
Boland
Bolling
Brademas
Brasco
Brinkley
Brooks
Brown, Calif.
Burke, Mass.
Burleson
Byrne, Pa.
Cabell
Carey
Celler
Clark
Cohelan
Corman
Culver
Daddario
Daniels
Davis, Ga.
Dawson
de la Garza
Delaney
Dent
Diggs
Dingell
Donohue
Dow
Downing
Dulski
Eckhardt
Edmondson
Edwards, Calif.
Edwards, La.
Ellberg
Evans, Colo.
Everett
Evins, Tenn.
Fallon
Farbstein
Fasell
Feighan
Flood
Flynt
Foley
Ford
William D.
Fraser
Friedel
Fulton, Tenn.

Fuqua
Gallagher
Gettys
Gialmo
Gibbons
Gilbert
Gonzalez
Gray
Green, Pa.
Gubser
Hagan
Hamilton
Hanley
Hanna
Hansen, Wash.
Hardy
Hathaway
Hawkins
Hechler, W. Va.
Helstoski
Hicks
Holifield
Howard
Hull
Irwin
Jacobs
Joelson
Johnson, Calif.
Jones, Ala.
Jones, Mo.
Karsten
Kath
Kazen
Kee
Kelly
Kerwan
Kyro
Landrum
Leggett
Long, Md.
McCarthy
McFall
Machen
Mahon
Marsh
Matsunaga
Meeds
Mills
Minish
Mink
Monagan
Moorhead
Morgan
Morris, N. Mex.
Moss
Multer
Murphy, Ill.
Natcher
Nedzi
Nix
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neal, Ga.
O'Neill, Mass.

Patman
Patten
Pelly
Pepper
Perkins
Philbin
Pickle
Pike
Poage
Pollock
Pool
Price, Ill.
Purcell
Rees
Reifel
Resnick
Reuss
Rhodes, Pa.
Rivers
Roberts
Rodino
Rogers, Colo.
Ronan
Rooney, N.Y.
Rosenthal
Rostenkowski
Roush
Roybal
Ryan
St Germain
St. Onge
Shipley
Sisk
Slack
Smith, Iowa
Staggers
Steed
Stephens
Stubblefield
Stuckey
Teague, Tex.
Tenzer
Thompson, N.J.
Tiernan
Tunney
Udall
Ullman
Van Deerlin
Vanik
Waggonner
Waldie
Walker
Watts
White
Whitten
Wiggins
Wilson
Charles H.
Wright
Yates
Young
Zablocki

NOT VOTING—30

Barrett
Burton, Calif.
Casey
Conyers
Cowan
Garmatz
Hays
Hébert
Herlong
Holland

Hungate
King, Calif.
Kluczynski
MacGregor
Madden
Miller, Calif.
Morse, Mass.
Murphy, N.Y.
O'Konski
Passman

Pryor
Rarick
Roudebush
Scheuer
Sikes
Smith, N.Y.
Taylor
Whitener
Williams, Miss.
Willis

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Rarick for, with Mr. MacGregor against.
Mr. Roudebush for, with Mr. Hébert against.

Until further notice:

Mr. Kluczynski with Mr. O'Konski.
Mr. Garmatz with Mr. Cowger.
Mr. Miller of California with Mr. Smith of New York.
Mr. Sikes with Mr. Morse of Massachusetts.
Mr. Barrett with Mr. Conyers.
Mr. Willis with Mr. Madden.
Mr. King of California with Mr. Passman.
Mr. Hays with Mr. Scheuer.
Mr. Herlong with Mr. Holland.
Mr. Burton of California with Mr. Casey.
Mr. Hungate with Mr. Taylor.
Mr. Murphy of New York with Mr. Whitener.

Mr. Pryor with Mr. Williams of Mississippi.

Mrs. GREEN of Oregon changed her vote from "nay" to "yea."

The result of the vote was announced as above recorded.

Mr. BOLAND. Mr. Speaker, pursuant to the instructions of the House, in the motion to recommit, I report back the bill H.R. 11456 with an amendment.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

On page 18, immediately following line 15, insert a new section as follows:

"Sec. 702. Money appropriated in this Act shall be available for expenditure in the fiscal year ending June 30, 1968, only to the extent that expenditure thereof shall not result in total aggregate net expenditures of all agencies provided for herein beyond 95 percent of the total aggregate net expenditures estimated therefor in the budget for 1968 (H. Doc. 15)."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

The SPEAKER. The question is on the passage of the bill.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 393, nays 5, not voting 34, as follows:

[Roll No. 174]

YEAS—393

Abbott
Abernethy
Adair
Adams
Addabbo
Albert
Anderson,
Tenn.
Andrews, Ala.

Andrews,
N. Dak.
Annunzio
Arends
Ashbrook
Ashley
Ashmore
Aspinall
Aspy

Baring
Bates
Battin
Belcher
Bell
Bennett
Berry
Betts
Bevill

Blester
Bingham
Blackburn
Blanton
Blatnik
Boggs
Boland
Bolling
Bolton
Bow
Brademas
Brasco
Bray
Brinkley
Brook
Brooks
Broomfield
Brozman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burke, Mass.
Burleson
Burton, Utah
Bush
Button
Byrne, Pa.
Byrnes, Wis.
Cabell
Cahill
Carey
Carter
Cederberg
Celler
Chamberlain
Clancy
Clark
Clausen,
Don H.
Clawson, Del.
Cleveland
Cohelan
Collier
Colmer
Conable
Conte
Conyers
Corbett
Corman
Cramer
Culver
Cunningham
Curtis
Daddario
Daniels
Davis, Ga.
Davis, Wis.
Dawson
de la Garza
Delaney
Dellenback
Denney
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Dole
Donohue
Dorn
Dow
Dowdy
Downing
Dulski
Duncan
Dwyer
Eckhardt
Edmondson
Edwards, Ala.
Edwards, Calif.
Edwards, La.
Ellberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Everett
Evins, Tenn.
Fallon
Farbstein
Fasell
Feighan
Findley
Fino
Fisher
Flood
Flynt
Foley
Ford, Gerald R.
Ford,
William D.

Fountain
Fraser
Frelinghuysen
Friedel
Fulton, Pa.
Fulton, Tenn.
Fuqua
Galifianakis
Gallagher
Gardner
Gathings
Gettys
Gialmo
Gibbons
Gilbert
Gonzalez
Goodell
Goodling
Gray
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Gude
Gurney
Hagan
Haley
Hall
Halleck
Halpern
Hamilton
Hammer-
schmidt
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Hardy
Harrison
Harsha
Harvey
Hathaway
Hawkins
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hicks
Holifield
Horton
Hosmer
Howard
Hull
Hunt
Hutchinson
Ichord
Irwin
Jacobs
Jarman
Joelson
Johnson, Calif.
Johnson, Pa.
Jonas
Jones, Ala.
Jones, Mo.
Jones, N.C.
Karsten
Karth
Kastenmeier
Kazen
Kee
Keith
Kelly
King, N.Y.
Kirwan
Kleppe
Kornegay
Kupferman
Kuykendall
Kyros
Laird
Landrum
Langen
Latta
Leggett
Lennon
Lloyd
Long, Md.
McCarthy
McClure
McCulloch
McDade
McDonald,
Mich.
McEwen
McFall
McMillan
Macdonald,
Mass.
Machen
Mahon
Mailliard
Marsh
Martin

Mathias, Calif.
Mathias, Md.
Matsunaga
May
Mayne
Meeds
Meskill
Michel
Miller, Ohio
Mills
Minish
Mink
Minshall
Mize
Monagan
Montgomery
Moore
Moorhead
Morgan
Morris, N. Mex.
Morton
Mosher
Moss
Multer
Murphy, Ill.
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neal, Ga.
O'Neill, Mass.
Ottinger
Pattman
Patten
Pelly
Pepper
Perkins
Pettis
Philbin
Pickle
Pike
Pirie
Poage
Poff
Pollock
Pool
Price, Ill.
Price, Tex.
Pucinski
Purcell
Quie
Quillen
Randall
Rees
Reid, Ill.
Reid, N.Y.
Reifel
Reinecke
Resnick
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riegler
Rivers
Roberts
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Ronan
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roth
Roush
Roybal
Rumsfeld
Ruppe
Ryan
Sandman
Satterfield
St Germain
St. Onge
Saylor
Schadeberg
Scherle
Schneebeli
Schweiker
Schwengel
Selden
Shipley
Shriver
Sisk
Skubitz
Slack
Smith, Calif.
Smith, Iowa
Smith, Okla.
Snyder
Springer

Stafford	Tunney	Widnall
Staggers	Udall	Wiggins
Stanton	Ullman	Williams, Pa.
Steed	Utt	Wilson, Bob
Steiger, Wis.	Van Deerlin	Wilson, Charles H.
Stephens	Vander Jagt	Winn
Stratton	Vanik	Wolff
Stubblefield	Vigorito	Wright
Stuckey	Waggonner	Wyatt
Sullivan	Waldie	Wydler
Taft	Walker	Wyllie
Talcott	Wampler	Wyman
Teague, Calif.	Watkins	Yates
Tenzer	Watson	Young
Thompson, Ga.	Watts	Zablocki
Thompson, N.J.	Whalen	Zion
Thomson, Wis.	Whalley	Zwach
Tiernan	White	
Tuck	Whitten	

NAYS—5

Gross	Long, La.	Steiger, Ariz.
Kyl	Lukens	

NOT VOTING—34

Anderson, Ill.	Kluczynski	Roudebush
Barrett	Lipscomb	Scheuer
Burton, Calif.	MacGregor	Scott
Casey	Madden	Sikes
Cowger	Miller, Calif.	Smith, N.Y.
Garmatz	Morse, Mass.	Taylor
Hays	Murphy, N.Y.	Teague, Tex.
Hébert	O'Konski	Whitener
Herlong	Passman	Williams, Miss.
Holland	Pryor	Willis
Hungate	Rallsback	
King, Calif.	Rarick	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Morse of Massachusetts for, with Mr. Rarick against.

Mr. Hébert for, with Mr. MacGregor against.

Until further notice:

Mr. Kluczynski with Mr. O'Konski.

Mr. Garmatz with Mr. Cowger.

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

Mr. Sikes with Mr. Roudebush.

Mr. Barrett with Mr. Lipscomb.

Mr. Willis with Mr. Madden.

Mr. King of California with Mr. Passman.

Mr. Hays with Mr. Scott.

Mr. Herlong with Mr. Holland.

Mr. Burton of California with Mr. Casey.

Mr. Hungate with Mr. Taylor.

Mr. Murphy of New York with Mr. Whitener.

Mr. Pryor with Mr. Williams of Mississippi.

Mr. Teague of Texas with Mr. Anderson.

Mr. Scheuer with Mr. Rallsback.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed and to include pertinent additional material.

The SPEAKER pro tempore (Mr. ALBERT). Without objection, it is so ordered.

There was no objection.

SONG SIN TAIK AND SONG HYUNG HO

Mr. ROUSH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 7516) for the relief of Song Sin Taik and Song Hyung Ho, Private Calendar No. 171.

The Clerk read the title of the bill.

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

Mr. THOMPSON of Georgia. Mr. Speaker, reserving the right to object, I would like to ask for a little information on this particular bill. Is this the private bill involving two Korean children?

Mr. ROUSH. Yes, it is.

Mr. THOMPSON of Georgia. Have the objections that were raised originally been taken care of?

Mr. ROUSH. Yes, they have, and this matter has been cleared with both sides of the aisle. The original objection was raised because the objector did not understand that there was an amendment at the desk which would have clarified the spelling of one of the names.

Mr. THOMPSON of Georgia. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the bill as follows:

H.R. 7516

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Song Sin Taik and Song Hyung Ho each may be classified as a child within the meaning of section 101(b)(1)(F) of that Act, upon approval of a petition filed in behalf of each by Mr. and Mrs. J. Earl Leisner, citizens of the United States, pursuant to section 204 of that Act. Section 204(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.

AMENDMENT OFFERED BY MR. ROUSH

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

The Clerk read as follows:

Amendment offered by Mr. ROUSH: On page 1, line 4, strike out the name "Song Hyung Ho" and substitute in lieu thereof the name "Song Kyung Ho".

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Indiana.

The amendment was agreed to.

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

The title was amended so as to read: "An act for the relief of Son Sin Taik and Song Kyung Ho."

A motion to reconsider was laid on the table.

ENOUGH PROBLEMS FOR ALL

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

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

There was no objection.

Mr. WHITTEN. Mr. Speaker, on Thursday, July 13, by unanimous consent obtained by the majority leader [Mr. ALBERT], the gentleman from New York [Mr. RESNICK], inserted remarks in the CONGRESSIONAL RECORD, page 18754. I am assured by Mr. ALBERT that he did not see the statement.

In his statement Mr. RESNICK says that he knew, "as a fact," that each time the Secretary of Agriculture has tried to help to meet the food problem in Mississippi and other southern States "he has been blocked by the chairman of the Appropriations Subcommittee for Agriculture, our distinguished colleague from Mississippi." Later he said: "The real culprit is the Governor of Mississippi."

Mr. Speaker, a greater falsehood was never uttered. Instead of such statement being true, I would say here and now that last year our committee provided funds for food stamps, which are under the control of the Secretary, and have cooperated fully with the Secretary, who incidentally has charge of only the agricultural commodity programs, including food stamps, where the law requires some payment.

Further, as you have seen in the press, the Secretary testified that every county in Mississippi, at their own request, has some type food aid program, paying out of local funds all administrative costs; and the Secretary has reduced the cost of food stamps as low as the law permits, a law written by Mr. RESNICK's committee, not mine.

Mr. Speaker, when the Senator from Pennsylvania [Mr. CLARK], and the Senator from New York [Mr. KENNEDY], made charges about conditions of families in my State, I obtained the names of those individuals whom they visited, individuals carefully sought out in advance by a paid worker from New York, and got the department of public welfare to check them.

All except a few were receiving food stamps and these had heard of the program but had not applied for stamps. I hold here in my hand a list of the names of those visited. Practically all are on public welfare; most receive aid for dependent children. How many, if any, of the parents visited had registered for employment with the U.S. Employment Service, I have not yet been able to ascertain.

Subsequently, when this group of doctors left New York, with its Harlem, went through or passed by Newark, where the tragedy of the last few days has taken place and where, according to the press, those living in the area have charged that conditions have been bad indeed; they visited certain persons in my State, carefully selected in advance. Certainly it is apparent they went to propagandize the Nation and not to help for they issued their report to the press, not to the Federal or State agencies, which could help in proper cases. If they merely wished to find individual cases they would not have had to go farther south than Washington nor to have left their own State for that matter. Of course, if we knew what grant was made to them we could judge their objectivity or lack of it.

On the 23d day of June 1967, I asked the Senator from Pennsylvania, who has his problems in Philadelphia, Pittsburgh, and elsewhere, particularly during his coming election year, to supply me with names and addresses of those visited by this team of investigators sent out from New York City. I know our department

of health, our welfare department and the U.S. Department of Agriculture, and I am sure all members of the delegation, wish to see that such situations do not exist, even though in all likelihood the conditions largely come from parental neglect, a situation which exists to some extent in every city in the United States. The Senator has not yet supplied me with the requested information.

Mr. Speaker, I have been in the poverty-stricken areas of many of the cities of the Nation. I think it quite significant that Representatives from such areas point their fingers at our area instead of reviewing their at-home situation. Apparently they do not want to talk about their own backyard, especially to the press, for it might lead to a Newark, a Hough or Watts situation, which we all deplore and which we are thankful that we do not face in my section.

On May 17, 1967, Mayor Lindsey of New York invited me to attend the opening of the new market for New York City at Hunt's Point, which will help to reduce food costs. I was invited because our committee had provided the funds for planning this market, had visited the area prior to and during its construction.

Mr. Speaker, I shall not here detail the facts told to us by New Yorkers as to the condition of those pitiful people who were squatters at Hunt's Point prior to its being taken for the market. Suffice it to say it was worse than anything charged against my area. I do not know how many of you have been around the 14th Street Market on Sunday morning, on the Bowery, or have traveled the streets which officials will tell you they have to clean several times a day because garbage is thrown from the windows many stories above the ground from tenements which rent control keeps from being repaired. I have been there, for our committee handles funds for school lunch, for school milk—we have tried to help.

"Man in the house," "fancy women," "illegitimate children," "on welfare," "no visible means of support" are terms familiar to those who know the poverty areas of Washington, Philadelphia, New York, Pittsburgh, Newark, Cleveland, and so forth. We deplore the fact that bad conditions exist anywhere. I repeat, investigation as to nutrition will be found in practically all cases to be at least partially due to parental neglect. I do say that in my own State our Governor, our officials, aided by Secretary Freeman, are doing all we can; and numerically, comparatively, or by any other measure, these other sections have a much worse problem and are doing much less about it. It is no wonder that some Representatives and some Senators wish to run against something 2,000 miles away, instead of facing up to their own backyard.

Of course, Mr. Speaker, in some instances our colleagues would be afraid to go into these troubled and poverty-stricken areas of their own cities in the daytime, much less at night.

Mr. Speaker, I addressed myself to this subject on May 11, 1967, pages 12340-12341 of the CONGRESSIONAL RECORD. I hope the membership will read my state-

ment of that date, particularly the quote from the late Clarence Cannon.

May I say to the gentleman from New York that in order to abide by the rules of the House I will not use language as strong as I feel. I will merely say there is not a word of truth in what the gentleman says he knows "as a fact."

I say further, any official, any doctor, or anyone else who charges that the people or the officials of my State wish to or are trying to eliminate any race or the people of any race is not worthy of being believed on oath.

In conclusion, all such cases, wherever they are, should be reported to Federal and State officials in order that everything possible may be done to improve deplorable conditions whether they be few or many.

OKLAHOMA'S INDIANS SPEAK OUT AGAINST VIETNAM DEMONSTRATORS

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a resolution adopted by a group of Indian leaders in Oklahoma.

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

There was no objection.

Mr. EDMONDSON. Mr. Speaker, many times during the years I have served in this body, I have taken the floor to express my admiration for the American Indians, who make up one of the finest groups of citizens in my State and in the Nation.

My respect for these Indian citizens was heightened recently when I received a copy of a resolution passed at a meeting of the leaders of 11 Indian tribes of eastern Oklahoma on June 1, 1967, in Muskogee, Okla.

In this resolution, the members of these tribes deplore and condemn the actions of some other Indian tribes of America who are taking part in demonstrations against the U.S. position in Vietnam. The resolution further states that these 11 tribes "unanimously and heartily favor the successful conclusion of the war in Vietnam at the earliest possible date."

Mr. Speaker, the Indian tribes of Oklahoma have given America's fighting forces some of their greatest warriors. Oklahoma Indians have served with distinction and honor in our wars, including the war in Vietnam. Oklahoma Indians have received many military decorations, including the Congressional Medal of Honor. They consider it a privilege to serve this Nation when it needs them, and I have yet to receive my first request for special treatment from an Indian soldier, sailor, airman, or marine.

Mr. Speaker, I would like to have this resolution, addressed to the President of the United States, appear in the RECORD as a source of inspiration for all Americans. The resolution is a great expression of patriotism by a group of fine Americans.

RESOLUTION

Whereas, a meeting of eleven Indian Tribes of Eastern Oklahoma was convened at Mus-

kogee, Oklahoma, on June 1, 1967 to consider affairs of mutual interest, and

Whereas, the eleven tribes were duly represented as follows:

Cherokee Tribe of Oklahoma—C. C. Victory, Vice-Chief, representing W. W. Keeler, Principal Chief

Chickasaw Tribe of Oklahoma—Overton James, Governor

Choctaw Tribe of Oklahoma—Harry J. W. Belvin, Principal Chief

Creek Tribe of Oklahoma—W. E. McIntosh, Principal Chief

Eastern Shawnee Tribe of Oklahoma—Julian Bluejacket, Chief

Miami Tribe of Oklahoma—Forest D. Olds, Chief

Mississippi Band of Choctaw Indians—Clay Gibson, Chairman, Mississippi Choctaw Tribal Council

Osage Tribe of Indians in Oklahoma—Paul Pitts, Principal Chief

Quapaw Tribe of Oklahoma—Robert Whitebird, Chairman, Quapaw Business Committee

Seminole Tribe of Oklahoma—John Brown, Chairman, General Council of Seminole Tribe

Seneca-Cayuga Tribe of Oklahoma—Ver-non Crow, Chief

Whereas, it has become known that there are certain Indian tribes who are taking part in demonstrations protesting United States involvement in the Viet Nam war, and

Whereas, this tribal representative group does not consider it fitting and proper for American Indians to protest against actions of the United States Government, and

Whereas, all of the tribes named above have members who have fought in wars in defense of our country, and who have at this time, members who are fighting in the Viet Nam war, who consider it unpatriotic and a threat to the security of our Nation to demonstrate in protest of any conflict in which the United States is involved, and

Whereas, the actions of the Indian tribes who participate in such demonstrations are not condoned by the tribes represented at this meeting,

Now, therefore, be it resolved, That these eleven tribes, whose members are patriotic American citizens, condemn those Indian tribes who are taking part in said demonstrations, and

Be it further resolved, that the representatives of the eleven tribes unanimously and heartily favor the successful conclusion of the war in Viet Nam at the earliest possible date, and

Be it further resolved, that Overton James is authorized to sign this resolution on behalf of the tribes represented, and

Be it further resolved, that this resolution be forwarded to Honorable Lyndon B. Johnson, President of the United States, and

Be it further resolved, that copies of this resolution be submitted to the Oklahoma Congressional delegation, the Secretary of the Interior, and the Commissioner of Indian Affairs.

Adopted this 1st day of June, 1967 at Muskogee, Oklahoma.

OVERTON JAMES,

Governor, Chickasaw Tribe, Temporary Chairman.

MANHOOD IN THE HORROR OF VIETNAM

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

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

There was no objection.

Mr. WYMAN. Mr. Speaker, alone in

the fearsome jungle warfare of Vietnam, thousands of miles from home, tortured by bitter frustration, torn by gnawing doubts, dismayed that the full power of the United States is not being utilized to protect him, envious of those who dance and play at home while he is asked to die 10,000 miles away, yet all the while loyal to America and fiercely patriotic, proud of his flag, committed to the basic goal of freedom and justice for all, a young American soldier in the moment of command said a prayer.

Contributed by a listener to the Bill Perry show on radio station WGIR in Manchester, N.H., it is a poignant, moving entreaty, bespeaking all that typifies the greatness that is these men, that is the American cause. It portrays graphically the attainment of manhood in the hour of decision.

I earnestly commend it to the thoughtful consideration of every Member of Congress and all citizens in these trying days of death so far, far away—especially to those whose loved ones have been taken.

Look, God, I have never spoken to You. But now I want to say, how do you do? You see, God, they told me you didn't exist, And like a fool, I believed all this.

Last night from a shell hole I saw Your sky. I figured right then they had told me a lie. Had I taken the time to see the things You made,

I'd have known they weren't calling a spade a spade.

I wonder, God, if You'd shake my hand. Somehow, I feel that You will understand. Funny, I had to come to this hellish place, Before I had time to see Your face.

Well, I guess there isn't much more to say. But I'm sure glad, God, I met you today. I guess the zero hour will soon be here. But I'm not afraid, since I know You're here.

The signal; Well, God, I'll have to go. I like You lots, this I want You to know. Look, now, this will be a horrible fight; Who knows, I may come to Your House tonight!

Though I was not friendly to You before, I wonder, God, if You wait at Your door. Look, I'm crying! Me Shedding tears! I wish I had known You these many years.

Well, I have to go now, God; good-bye, Strange, since I met You, I'm not afraid to die.

REHABILITATIVE PROGRAM FOR NARCOTIC AND ALCOHOL ADDICTS

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

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

There was no objection.

Mr. ADAMS. Mr. Speaker, the job of working on District of Columbia affairs is a difficult one, and the good works of our colleagues often go unnoticed.

I, therefore, want to bring to the attention of my colleagues the recent actions of the gentleman from Maryland [Mr. GUDE] in working with the incapacitated victims of addictive drugs.

I am hopeful that soon we will con-

tinue hearings in the District of Columbia Committee on a rehabilitative program for narcotic addicts and alcohol addicts as has been suggested by the gentleman from Georgia [Mr. HAGAN]. The experience of Congressman GUDE points up the problem which exists and which we hope can soon be remedied.

I include at this point an editorial from the Daily News of July 3, 1967, indicating the fine work done by Congressman GUDE:

GOOD FOR GUDE

Gilbert Gude is our kind of Congressman. He knows a crying shame when he sees one—and he gets something done about it. He now deserves special recognition for his successful efforts to find the money for the District to start a program for the city's sorry, self-incapacitated victims of addictive drugs.

Last December, Washington Daily News reporter Clare Crawford astonished herself and most other respectable people by the ease with which she was able to purchase a capsule of heroin from an addict who happened to be undergoing treatment at St. Elizabeths. The News investigated further and discovered that the District had stopped its drug treatment program. Even though it had then—and still has—the fifth largest narcotics addict population in America.

Rep. Gude talked to District Health Department officials and addicts. He besieged the Office of Economic Opportunity to let go of \$600,000 that was bound up in bundles of red tape.

Finally, last Thursday, after Rep. Gude had made still another visit to the District's largely non-existent drug treatment facilities at D.C. General Hospital, OEO gave the money. Friday would have been the last day on which it could have made a grant for the coming year.

Thank you, Rep. Gude. Thank you, OEO.

Now let's see the District Health Department give some of the desperate addicts here something to be thankful for.

IMPACT OF THE COLT INDUSTRIES STRIKE

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

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

There was no objection.

Mr. FINDLEY. Mr. Speaker, the strike at Colt Industries, which has halted all production of M-16 rifles so badly needed by allied forces in Vietnam, is a major scandal which actually has an adverse impact on our troops more immediate and more direct than the short-lived rail strike which brought such prompt action by Congress.

The scandal must be laid directly at the door of Defense Secretary McNamara, who ignored congressional demands for more than a year before he finally agreed to a second production source for the rifles. The tentative agreement was signed June 30, 1967.

The Army's director of procurement, Major General Anderson, today informed me that the contract for a second source cannot be let before June 1968—almost a year from now. Meanwhile GI's and their allies in Vietnam must depend entirely upon Colt Industries, which is now completely down on strike and according to General Ander-

son does not have a single M-16 to ship. Allied forces in Vietnam are only partly equipped with requested M-16's, but even so an additional troop buildup is in prospect.

If McNamara had approved a second source when it was proposed by the House Armed Services Committee in March 1966, allied forces in Vietnam would not now be handicapped by being dependent upon a single strikebound production source. The Armed Services Committee began urging a second production source as early as December 1965, when the Defense Department began procurement of M-16's for Vietnam. In March 1966, Representative RIVERS warned McNamara of danger of a strike at Colt in view of the Government's dependency on that one industry for this highly essential weapon.

Every day's shutdown at Colt denies our forces enough rifles for a full battalion, and the blame for this must be accepted personally by Secretary McNamara.

The 2-week holiday shutdown of Colt, which in itself was unconscionable, immediately followed by a strike has cost our forces dearly. The production lag that this has caused can never be closed, because allied forces to this day have not been fully equipped with the rifle. Undoubtedly some casualties can be traced to rifle handicaps.

The administration should immediately:

First. Exert every pressure to get Colt Industries back into full production of M-16 rifles and improvements for those in service.

Second. Cut redtape so second production source for M-16's can be opened before June 1968.

Third. Impose an embargo on all shipments of M-16 type rifles, such as those to Singapore and Brazil, until troops of the U.S. and allied forces in Vietnam are fully equipped with M-16 rifles which incorporate the improvements recently approved.

MINNESOTA CHIEF STATE SCHOOL OFFICER SPEAKS OUT

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

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

There was no objection.

Mr. QUIE. Mr. Speaker, I would like to take this opportunity to share with my colleagues in the House and in the Senate the text of a recent communication that I received from Duane J. Mattheis, commissioner of education, State of Minnesota.

In his letter of June 28, 1967, Commissioner Mattheis expresses not only his personal views but also the general position taken by the members of the Council of Chief State School Officers with regard to the provisions of a number of vital education measures currently under consideration in the Congress.

As we continue in our efforts to improve significantly the quality and expand the breadth of national educational opportunities, the remarks of this highly respected State educator and the council for whom he speaks should be of special interest to the Members of the 90th Congress.

The remarks follow:

STATE OF MINNESOTA,
DEPARTMENT OF EDUCATION,
St. Paul, Minn., June 28, 1967.

HON. ALBERT H. QUIE,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. QUIE: The Council of Chief State School Officers meeting in Washington, D.C., on June 24 took a number of positions relative to federal aid to education, in particular the Elementary and Secondary Education Act of 1965 and the National Defense Education Act. I would like to take this opportunity to indicate to you my very strong support for the action of this organization and to enumerate in some detail their and my reasons for such a position.

The Council of Chief State School Officers and I give our wholehearted support to H.R. 7819 in its present form. In particular, we support very strongly the change in Title III of ESEA from a program where the decision-making powers rested wholly with the U.S. Office of Education to a program where decisions would be made at the state level under rules, regulations and guidelines developed by the USOE. Although there might be some validity in the feeling by some people that under this procedure some states might not use the funds to the maximum effectiveness, it is my judgment and that of the Council that the problems and dangers of a continuance of the present procedure of decision-making in the USOE far outweigh those that may occur under provisions of H.R. 7819. The change in authority will undoubtedly cause some minor adjustment problems. It is once again our judgment that these problems will only increase in number and complexity the longer the present USOE-local school district arrangement, bypassing completely the State Departments of Education as far as decision-making authority is concerned, is in operation.

Another important area that received attention and action was Title V of ESEA. It is our feeling that the provision of H.R. 7819 which would eliminate a 15% set aside of this title to be used by the U.S. Commissioner of Education is a good one. This title is for strengthening of State Departments of Education and it is our judgment that this may be best accomplished by having all the funds of Title V of ESEA distributed to the State Departments of Education. We also expressed our continued very strong opposition to the administration proposed in VB section of this title which would have provided funds to be allocated to the Governor of each state for statewide educational planning. Under the present title V of ESEA and the one being supported in H.R. 7819, there is adequate opportunity for statewide educational planning for the elementary and secondary school program. The Minnesota State Department of Education has used a substantial amount of its title V funds during the past two years, and we anticipate doing so again in FY 68, for statewide educational planning. The Vocational Education Act of 1963 provides ample opportunity to states for statewide planning of vocational technical education. Minnesota conducted such a study in 1964 and is now in the process of updating of the original study. It would be relatively simple to provide funds for statewide planning for higher education with a minor amendment and money in the Higher Education Facilities Act.

The Council and I also wish to express our great concern and strong opposition to the

proposed reduction of funds for title III of NDEA. It seems incongruous to the point of disbelief that now at a time when this title has been expanded to include many curricular areas rather than the original restrictive science, mathematics and foreign language fields, that we would be faced with a 40% reduction in funds. We would strongly encourage that with the expansion to additional curricular areas the funding of title III of NDEA be increased to that presently authorized rather than the amount being proposed by the administration.

The Council and I also express our strong opposition to further expansion of regional offices of the USOE. The establishment of the existing regional offices was not based upon expressed or identified need and we strongly oppose further proliferation of this federal bureaucracy without study, examination and evaluation of the presently organized offices. The curtailment of this expansion may best be accomplished by the elimination from the budget of all funds for additional personnel for the regional offices of the USOE. The Council of Chief State School Officers and I request such action.

One other area of Federal education legislation has received our attention and concern. This is the proposed amendment to the Vocational Education Act of 1963 which would in effect provide for a USOE directed program in vocational-technical educational similar to the present title III of ESEA that we oppose so very strongly. I wish to express my opposition to such a development. The present vocational-technical education act provides ample opportunity for development of vocational-technical education centers and services as well as experimental in innovative programs. If additional activities and/or services are desired by the USOE, simple encouragement to the states and additional funds could easily accomplish these goals without jeopardizing the entire program and public education itself by the establishment of a program that would give total authority to the USOE to deal with anyone and everyone, public and private, within a given state, including local school districts, without having to go through the state educational agency and without the state educational agency having any decision-making authority in the entire matter.

I am sorry this letter has grown to such lengthy proportions but the educational matters referred to are of vital importance to public education in Minnesota and the nation so I felt compelled to deal with them in some detail. If you desire further information on any of the above items or other federal education legislation, I would be most happy to hear from you. I would also encourage you to contact Dr. Edgar Fuller, Executive Secretary of the Council of Chief State School Officers, in Washington (telephone—223-9400) for any information regarding the position of the Council on various education matters.

Sincerely,

DUANE J. MATTHEIS,
Commissioner of Education.

CHAMBER OF COMMERCE OF THE UNITED STATES—THE KENNEDY ROUND CONFERENCE

Mr. THOMPSON of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mrs. BOLTON] may extend her remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mrs. BOLTON. Mr. Speaker, I want to call the attention of my colleagues and

fellow Americans to a unique conference that was sponsored by the Chamber of Commerce of the United States here in Washington on July 7. At the chamber's initiative, close to 600 business and professional men from across the Nation heard and participated in the first comprehensive official interpretation of how the Kennedy round agreements will affect the national economy.

Ambassador Roth, Secretary Trowbridge, Secretary Freeman, and Under Secretary Reynolds, at the chamber's request, analyzed the agreements in terms of their respective sectors of responsibility. This major conference also featured a 2-hour, audience-to-panel exchange at which time conference participants questioned the principal Kennedy round negotiators from Ambassador Roth's office, State, Commerce, Agriculture, and Labor on specifics of the trade agreements.

Because I firmly believe that the Kennedy round results will have a widespread effect on the U.S. economy, and because too little is known about the provisions and significance of the Kennedy round of agreements, I should like to have included in the RECORD the speeches of Ambassador Roth, Secretary Trowbridge, Secretary Freeman, and Under Secretary Reynolds, along with the welcoming remarks of the new president of the national chamber, Allan Shivers, the former Governor of the State of Texas. Our agriculture and industries, and ultimately the American consumer, will be affected by these agreements. It is urgent, therefore, that we seek to learn as much as possible about the results of the Kennedy round.

The material referred to follows:

REMARKS OF ALLAN SHIVERS, PRESIDENT,
CHAMBER OF COMMERCE OF THE UNITED STATES

I am honored to be your presiding officer at this National Conference on the Kennedy Round, and privileged to introduce to you our distinguished speakers.

The Kennedy Round of trade negotiations—conducted over a period of four years under the General Agreement on Tariffs and Trade (GATT) in Geneva—marks the boldest and most affirmative step toward world trade expansion ever undertaken by the United States in concert with the other industrial countries of the world.

The agreements we will hear about in a moment were not achieved easily. Indeed, right down to the wire, prospects of failure of the negotiations loomed large. But the negotiations did not fail.

While complex and sensitive issues remain, the major trading nations—recognizing their growing economic interdependence—agreed to significant, reciprocal reductions in their respective tariff levels.

It is probably accurate to say that, as a practical matter, tariffs will not pose great hindrances to world trade in the near future, at least not among industrialized countries. In the future, the major problem of international trade will lie in two other areas—non-tariff trade barriers and the problem of realizing the trade potential of the less-developed countries. They are also the more difficult elements to confront.

Business, in conjunction with the government, will have to study these complex areas intensively, so that all nations can begin to work toward securing the economic growth that can now accrue only if artificial barriers to trade are now removed.

Because business decisions in all sectors

of our economy will be affected by tariff reductions beginning next year, the National Chamber asked these distinguished gentlemen to report to you—personally and officially—the outcome of the Kennedy Round, and to explain what the tariff reductions will mean to the major sectors of the economy they represent.

WHAT HAPPENED IN THE KENNEDY ROUND (Remarks of Ambassador W. M. Roth, Special Representative for Trade Negotiations)

I know I speak for all my colleagues on your program today in expressing our gratitude to President Shivers and the National Chamber for providing us this early forum to discuss the outcome of the Kennedy Round with representatives of a broad spectrum of the business community. This conference provides the first occasion for a formal and informal exchange of information and views on the recently concluded trade negotiations. We welcome this opportunity and greatly appreciate your attendance. I congratulate the Chamber for once again performing an important service to the nation.

Our objective is to satisfy your desire for information and understanding. I am acutely conscious of your expectations in attending this conference. Anyone who journeys to Washington in the summertime, and is out of bed in time to be in his seat at this hour, must be profoundly motivated.

I must say, this Friday morning was an easier one for me than last Friday morning. Then—it was June 30th—I was in the office at 3:30 a.m. talking to my deputy Ambassador Mike Blumenthal in Geneva, where it was 8:30 a.m. The hour of signing the Kennedy Round agreement was two hours away. Even at that time we were apprehensive that a last minute crisis would intervene—as they had with agonizing regularity in the preceding two weeks. Now—finally—the last crisis appeared to be under control. It was not until that early hour in still dark Washington that we were entirely certain that an agreement would be signed.

It was signed on schedule. At an enormous expense in time, energy, and emotion, we—the more than 50 participating nations—wrote what President Johnson has hailed as "A proud chapter in the history of international commerce."

The President's message to the signing ceremony went on to say, "It will open important new trading opportunities to each nation, and contribute to the prosperity of all. I salute . . . the architects of this historic landmark in cooperation among nations."

The GATT Secretariat has made preliminary estimates that the agreement covers more than \$40 billion in world trade, that 70 percent of dutiable imports of the major participants is affected, that two-thirds of the tariff reductions were 50 percent or more, and that the nations making concessions account for 75 percent of world trade. This is an accomplishment of far greater magnitude than that of any previous trade negotiation in history.

Perhaps I should, at this point, go back in time to give you a brief history of this endeavor.

KENNEDY ROUND LAUNCHED

In 1962, the 87th Congress passed the Trade Expansion Act in response to President Kennedy's request for bargaining power to launch a major assault on barriers to international commerce. He was authorized to cut our tariffs by half in exchange for equally advantageous benefits from our trading partners.

The legislation also created the Special Representative for Trade Negotiations, an innovation placing responsibility for the conduct of such negotiations in the Executive Office of the President. To this new post,

President Kennedy appointed the distinguished former Secretary of State Christian A. Herter, who directed the Kennedy Round with great spirit and wisdom until his death six months ago.

Armed with the new negotiating authority, the United States encouraged the convening of an international negotiating conference. An initial ministerial level meeting was held in Geneva in May 1963. Negotiations formally began a year later.

Most of the major participants agreed to proceed on the basis of a 50 percent linear—that is, across-the-board—cut in tariff levels on nonagricultural products. Exceptions, or those items not to be subjected to the full cut, were to be limited to those required by reasons of overriding national interest. Exceptions lists on nonagricultural products were exchanged on November 16, 1964. There followed a period of intensive examination of exceptions both on a multilateral and bilateral basis—each country making known its interest in the proposals of the other participants. Negotiators appeared to be horror-stricken at the protectionism of their trading partners.

In a few industrial areas of particular importance and complexity—chemicals, textiles, steel, aluminum, pulp and paper—negotiations took place on a sector basis.

The importance of agriculture in the Sixth Round was emphasized by the United States from the outset. We repeatedly insisted that the objective of the agricultural negotiations should be effective trade liberalization. The European Economic Community, however, sought a more limited negotiation essentially aimed at the freezing of present agricultural support levels on an item-by-item basis.

An early attempt to get agreement on rules to govern agricultural negotiations proved futile. For this reason, and because the European Community's offers were not yet prepared, agricultural offers were not tabled at the same time as industrial offers. The EEC took the position it could not make agricultural offers in the Kennedy Round until its major Common Agricultural Policy regulations were agreed upon, and this work was not yet completed. On grains, however, the GATT Ministers had decided that the Cereals Group should undertake the negotiation of an international grains arrangement. Accordingly, in May 1966 major cereals trading nations exchanged proposals for an international cereals arrangement.

NON-TARIFF BARRIERS ATTACKED

Bilateral and multilateral discussions centered on such non-tariff barriers as discriminatory taxation, customs valuation practices, and quantitative import restrictions. Notable progress was achieved in two areas—antidumping and the American Selling Price system of customs valuation as it applies to imports of benzenoid chemicals.

The negotiations on antidumping were directed at elaborating and refining existing international rules on the procedural and substantive aspects of levying antidumping duties on goods which are dumped and thereby cause material injury to a domestic industry. Our exporters complained of some countries' procedures that seriously deterred imports but that could in no real sense be considered as "injurious dumping." In other countries, the principal difficulty was the lack of any well-defined procedure or legal recourse. The principal complaint against the United States was that its procedures were excessively prolonged. Finally, a very satisfactory agreement was concluded, which I will describe later.

The American Selling Price system of customs valuation concerning benzenoid chemicals came under attack from our trading partners early in the Kennedy Round. These countries considered this procedure an unjustified anomaly in our tariff structure. They cited the fact that this valuation sys-

tem was first imposed in 1922 to protect our then infant chemical industry, and that the considerations of the twenties are hardly applicable today. They pointed out that this system results in the imposition of very high or prohibitive actual rates of duty on many benzenoid chemicals, even though the duty rates listed in our tariff schedules may appear moderate. They also stressed the considerable certainty beforehand as to the amount of duty that will be assessed.

Accordingly, the principal producers of benzenoid chemicals—the Common Market countries, the United Kingdom, and Switzerland—heatedly demanded the abolition of ASP. We responded that any conversion to the normal valuation system would require special counter-concessions and that Congress would have to approve such a conversion. We would enter into negotiations concerning ASP only on the condition that other participants agree that there be substantial chemical concessions by all principal trading nations in the context of the Kennedy Round agreement and a special package of concessions, including abolition of ASP, in a separate agreement. It was only in the final hours of the May showdown that our conditions were accepted and a separate ASP agreement was negotiated.

Let me return and conclude my brief historical account.

NEGOTIATIONS REACH CRISIS

A breach among the six members of the European Economic Community in mid-1965 resulted in an almost complete suspension of the Geneva negotiations lasting until the late spring of 1966.

The major decisions necessary to permit the Community to resume its Kennedy Round participation—particularly the adoption of the basis of a Common Agricultural Policy—were taken by mid-July 1966 enabling the tabling of the EEC agricultural offer in early August. This step set the stage for the beginning of concentrated multilateral and bilateral activity in Geneva beginning in September 1966.

Talks proceeded through the fall, progress was laboriously made, but, at the end of the year, all of the toughest problems remained. In fact, by mid-March we had still not begun the intensive bargaining needed to resolve the central problems of the Kennedy Round.

After almost three years of effort, the prospects of success began to dim. A March 30 deadline gave way to an April 30 deadline. I began commuting to Geneva.

As late as mid-April, the urgency of the situation was not fully recognized by other major participants, particularly the European Community. Our deadline was not taken seriously. The Community negotiators were still without sufficient authorization to participate effectively. Many knowledgeable observers believed it would be impossible to conclude the Kennedy Round before midnight on June 30. Others, however, were certain that the political will was there.

April led into May with the discussions generating increasing heat but little light. A series of major crises erupted. By the weekend of May 13, we were meeting around the clock in an atmosphere of very high tension. On Monday, May 15, in the early evening, Commissioner Rey and I found the basis for overall agreement in a compromise proposal put forward by Eric Wyndham White, the extraordinary Director General of the GATT. Other pieces fell rapidly into place and by the end of the evening the Director General could announce that a Kennedy Round agreement was assured.

We soon learned, however, that between assurance of agreement and signature of that agreement lay formidable obstacles. Unexpected hitches developed to threaten seriously the successful conclusion of the negotiation. To the final hour, there were uncertainties.

This last minute bargaining was extremely difficult. Positions became hardened. Negotiating flexibility had been largely exhausted in the mid-May showdown that produced the main outlines of the agreement.

Delegations were tired, tense, and sometimes querulous, yet dealing with a mass of numbers and detail and of varied and often conflicting considerations that were almost overwhelming.

Inevitably there were misunderstandings about what had been agreed to. There were errors made that had to be corrected. Negotiators hopefully or unwittingly exceeded their authority; in some cases they failed to get approval back home and later had to adjust their offers.

As each country made necessary modifications, the multilateral balances changed and renewed negotiations became necessary. I had to make a hurried return to Geneva only two weeks before the signing date.

On the 29th of June, with my outer office crowded with reporters waiting for our advance release on the details of the agreement, I was on the telephone to Geneva and several capitals trying to resolve not one but several crises that had the potential of blowing up the whole effort.

SUBSTANCE OF THE AGREEMENT

Let me now turn to the nature of this agreement itself.

Of course, uppermost in your minds is whether this agreement is a good deal for the United States. This was the question the President had to decide, based on the advice of those responsible for United States participation.

On March 10 of this year, I told the Senate Finance Committee that the United States would accept no Kennedy Round agreement unless it was a balanced package which included an exchange of both industrial and agricultural concessions. During this appearance, I was questioned as to my willingness to quit the negotiating table if the stakes weren't fair and I answered, "In a negotiation you have to be willing and ready to walk away from the table if you don't feel that what you are getting is a balanced deal."

Basing my judgment on the hard-nosed appraisal of my government colleagues and their expert staffs, I am convinced that we have received commitments equal in value to those we have made. Moreover, I believe that this balance of mutual exchanges of trading opportunities should stimulate appreciably larger volumes of international trade. Economic growth at home should result.

Throughout this negotiation, we have had designated members of the Congress and representatives of the public drawn from industry, labor, farmers, and consumers acting as members of their officially accredited delegation. Through this means, we have taken to the bargaining tables an acute sense of the need for a fair and balanced deal promoting growth in all segments of the American economy.

Our Washington organization, in developing basic policy and strategy positions, has made a conscientious effort to seek expert guidance from business, labor, and farm leaders in the formulation of negotiating policy. The President appointed a 45-member public advisory committee to the Special Representative for Trade Negotiations. This group has met regularly with the Special Representative, and many of its members have traveled to Geneva to take a firsthand look at the negotiations. A roster of 300 technical specialists has served as a constantly available source of advice and assistance on day-to-day technical problems.

Six Members of Congress are regular Congressional Delegates. Almost all have been to Geneva for important meetings at least once, and all meet with the Special Representative on a regular basis.

Consideration of public views did not cease with the original hearings on proposed U.S. Kennedy Round offers. We continued to accept from any interested party oral and written testimony concerning any matter relevant to the negotiations. This included updating and revision of previous testimony, testimony from interests not previously heard, and new information relating to foreign import restrictions.

Indeed, more time and effort than ever before has gone into the calculation of the value and probable effect of the concessions we have offered and received.

PRINCIPAL ACCOMPLISHMENTS

The substance of the Kennedy Round agreement will, of course, be the subject of our discussions throughout the day. I will only summarize what I regard as the principal accomplishments.

Tariff cuts on industrial products will be of a magnitude far greater than any previously negotiated. While concessions offered to us have not justified full use of the authority of the Trade Expansion Act, we have exchanged with major trading partners a very significant number of tariff reductions of 50 percent and many more in the 30 to 50 percent range.

We have succeeded in securing concessions on a wide variety of farm products. Of greatest significance is the successful negotiation of a world grains agreement guaranteeing higher minimum world trading prices as well as establishing a program under which other nations will share with us in the task of supplying food aid to the undernourished people in the less-developed countries.

A major accomplishment was the negotiation of the antidumping code committing other countries to fair and open procedures along the lines of present United States practices. The new common antidumping regulations that are being developed by the European Economic Community will conform with the code. Of special benefit to the United States will be the adoption by Canada of an injury requirement in its antidumping legislation. The lack of such a requirement has impeded United States exports for many years.

For our part, we agreed to certain useful refinements of the concepts we presently use in our antidumping investigations once preliminary measures are taken against allegedly dumped imports. I would emphasize—contrary to what you may have read in the newspapers lately—that all our obligations in the agreement are consistent with existing law and, in particular, that we have not agreed to a simultaneous consideration of price discrimination and injury.

In addition to the negotiation of an antidumping code, an agreement was concluded providing for the elimination of the American Selling Price system for benzenoid chemicals and the liberalization of other countries' trade barriers. For the domestic benzenoid chemical industry—a strong and efficient industry which has long demonstrated its international competitive strength—we are confident that the new rates of duty in the agreement will provide a sufficient level of tariff protection, one, by the way, well above that of the other major chemical producing countries. For this and the other sectors of the overall chemical industry in this country, which has an export surplus of about \$1.7 billion, the agreement affords very significant new export opportunities into rapidly expanding markets in Europe.

Moreover, the ASP agreement provides for the elimination of discriminatory automobile road-use taxes in France, Italy, and Belgium, which have long hampered exports of the larger U.S. cars to those countries. Finally, under the agreement the United Kingdom undertakes to make a significant reduction in the margin of tariff preference on unmanufactured tobacco, which should be of real assistance to one of our biggest export indus-

tries. I would only add that we fully expect—and indeed welcome—the most careful examination of the merits of the agreement. I do hope, however, that such an examination will be made objectively by all concerned and not in the heat of what has all too often been purely an emotional issue.

Regarding the particularly sensitive sectors other than chemicals, useful if limited progress was made on the complex problems in steel, aluminum, pulp and paper, and textiles, including a 3-year extension of the Long Term Cotton Textile Arrangement.

Finally, the Kennedy Round agreement has given significant assistance to the less-developed countries through having permitted their participation in the negotiations without requiring reciprocal contributions from them; through special concessions on products of particular interest to them; and through the food aid provisions of the grains arrangement.

LOOKING FORWARD

And now, in conclusion, where do we go from here? The President has asked me to undertake a comprehensive study of trade policy to determine what the next steps should be. The problems are many. What further should be done about non-tariff barriers? What are the possibilities for further tariff reductions? What can be done to limit the proliferation of discriminatory trading arrangements among small groups of countries, which threatens the basic MFN principle under which so much progress in tariff reductions has been made? How should policy on international financial flows be related to U.S. trade policies?

Another set of problems of extreme importance in the next few years relates to what the policies of highly industrialized countries ought to be toward the developing countries. The developing countries have been pressing for special trade policies tailored to their specific needs. Some of them have been receiving special benefits from certain industrialized countries, in some cases in exchange for special access provisions for their industrialized partners. The specialized limited arrangements threaten the interests of nonparticipants. As the President noted in his speech at Punta del Este, we are now exploring with other countries the possibilities of a common approach to developing country trade policies which could subsume these specialized narrow arrangements.

In looking to the future, we shall be leaning heavily on advice from industry. Your own work in the U.S. Chamber of Commerce on future trade policy will be extremely valuable to us in making plans for new departures in the trade field.

This afternoon a panel of my colleagues will attempt to answer your questions in detail. Every businessman, most certainly, will not be satisfied with the results of our 4-year effort. As a businessman myself, however, let me say that I have never seen so honest, intelligent, and thorough an effort to locate industries that would be harmed by tariff cuts and to protect them. I have never seen such hard and brilliant negotiations as done by Mike Blumenthal and his able team of specialists in Geneva. Therefore, permit me to say—I am very proud of this great and complex effort to increase world trade on a fully reciprocal basis.

BUSINESS' STAKE IN THE KENNEDY ROUND (Remarks of Alexander B. Trowbridge, Secretary of Commerce)

I want first to add my own thanks to Bill Roth's expression of appreciation to the Chamber for sponsoring this Conference.

This is the kind of outstanding service to business and government that this Chamber, headquartered here in the Nation's Capital, is uniquely equipped to provide—and which benefits every segment of our society. We are

indebted to Governor Shivers and Arch Booth for their leadership in arranging this common meeting ground—and may I add that I personally look forward in my new post to a fruitful association with the distinguished organization they head.

I think the first and most important thing we all know about the Kennedy Round is that the end of the negotiations is not the end at all; it is really only the beginning. Many years of extraordinary labor lie behind us, but decades of even harder work lie ahead, if we are to fulfill the promise that this great trade liberalization effort holds for the entire free world.

It goes without saying, of course, that the same high degree of cooperation between American industry and government that produced the Kennedy Round will be required to reap its benefits. But the major burden of responsibility for seizing the opportunity offered must be shouldered by our matchless system of free enterprise. The individual initiative and energy that this system and its rewards release are what, in the end, are the wellspring of all our achievement. In this instance, only business and labor, working together, can produce and sell the goods abroad that mean more profits, more jobs, and the rising standard of living that is the hallmark of our dynamic economy.

One thing I'm sure is fully understood: The name of the game is "A Good Offense." Defensive driving may be the safest technique for today's motorist, but for the trader in the post-Kennedy Round Age of Trade the only safe course is to sell abroad with the same aggressive skill that is applied to the domestic market. I think single-minded efforts to defend a position in the home market, with its concomitant failure to take advantage of sales opportunities abroad, can only lead to trouble.

For the Kennedy Round, to a greater degree than anything that has ever gone before probably in the entire history of trade, represents a very large step toward the thing we've heard so much about in the postwar years: the truly one-world market.

And more than anything else, we in the United States must understand and appreciate, in all its ramifications, the full meaning of the global market concept.

It means, for one thing, that the American domestic market—the greatest and most lucrative market in the world—is no longer the private preserve of the American businessman. We are but one corner, one segment of that market.

We are, however, the most competitive part of that market. And as a general rule if you can meet the competition here, you can meet it in many other countries of the world. And we must sell there, we must make the effort now, if we are to get in on the ground floor of what hopefully will be the greatest surge in international trade in our history, as a result of the Kennedy Round negotiations. To fail to do so, can hurt both a company and the Nation.

Certainly our American businessmen have the tools to do the job—an unequaled bag of tools that can unlock the doors to burgeoning markets everywhere. You have the managerial skills, the capital resources, the advanced technology, the sales and marketing ability, the skilled workmen, the higher productivity, the economies of scale, a more intense utilization of capital stock, and the greatest array of scientific talent the world has ever seen. If these aren't the elements that make for success in selling in the world market, I'd like to know why not.

But the Kennedy Round results should be the signal to maximize the use of those tools. And my task today is to give you an over-all view of the flashing green lights in the industrial area.

Probably the uppermost question in your minds is just what did American business get out of the Kennedy Round and what did

we pay for it. I would like to talk at some length about this but as you can appreciate, I cannot talk about the thousands of individual items that are affected by the final agreement.

First, what did we get? On the basis of trade coverage the United States received tariff concessions of mostly 50 percent reductions on about \$7 billion of our exports. Close to another \$1 billion were bound in a duty-free status so that the total package runs close to \$8 billion.

These concessions are spread proportionately among our major export markets. Over \$5 billion of our exports are subject to concessions in the European Economic Community, the EFTA countries and Japan. Another \$1.3 billion will benefit by concessions made by Canada with the remainder spread out among a number of smaller countries.

To assess the meaning of these concessions, let me take you back about five or six years when the foreign traders of this country were alarmed at the prospects for their markets once internal tariffs were eliminated in the EEC and EFTA. To many U.S. businessmen the choice seemed to be between getting into one or both of these blocs with plant and sales organizations or run the risk of being excluded from the vast European market by external tariff barriers. Passage of the Trade Expansion Act gave them some hope that the two blocs might be persuaded, if the other large trading nations joined in, to move towards freer trade rather than adopt an inward-looking attitude. At the time, you will recall, the schedule for eliminating the internal tariffs between countries of the two blocs was being accelerated so that the element of time was very important. The facts are that the EFTA countries eliminated internal duties completely on industrial goods at the beginning of this year while the EEC will complete its customs union and remove internal tariffs completely in July 1968.

Now, these tariff walls are to come down sharply. For the EEC it will be a reduction by 35 percent in all major trade categories. Most of the duties of the EEC's common external tariff, which is effective next July, are in the medium-low range rate, that is, 10 to 15 percent. Next July they will start to come down. In the EFTA countries the national tariffs apply to goods outside of the free trade area. For most countries in the EFTA, duties were already low with the United Kingdom having the highest rates. These are also coming down with the high U.K. rates, generally 33 percent, being reduced by 50 percent.

I believe that in this context the United States has been able to reconcile its political and economic objectives in Western Europe. At times it seemed that we were supporting political integration at the expense of our economic well-being. The Kennedy Round, I feel, has reduced any fear that we are sacrificing American economic interest for a political objective. In fact, I think that the gains for our exporters in the Western European markets as a result of the Kennedy Round surpass anything that was realistically hoped for when this problem was before the Nation in 1962.

Approximately one-quarter to one-third of our exports move to Western Europe, so that it is fairly obvious what the implications for U.S. exporters might be without the Kennedy Round now that the internal barriers of the European countries are in the final stage of elimination. Now that the Kennedy Round is over, the challenge passes to you men of business to take advantage of the new opportunities which will be opening up over the next few years.

Let me now speak of Canada, which is our largest single trading partner. Our trade with Canada continues to rise to the mutual benefit of both countries, and our agreement with Canada in the Kennedy Round is a sweeping reduction of tariff barriers. Duties were eliminated on a number of categories

of goods, most significant of which are softwood lumber, some hardwood lumber, wood flooring except oak, most fresh or frozen fish and a variety of other products. Canada eliminated her duty on coal and the United States eliminated its duty on nickel. In the field of manufacturers, the United States was able to obtain a reduction in the protective level of the Canadian tariff by about one-fourth. Protective duties generally run 20 to 25 percent in Canada's tariff; and Canada, which at the outset of the negotiations said that it could not join in a 50 percent linear tariff cut because of her relatively lower industrial status as compared with the advanced countries, has reduced this level to about 15 to 17½ percent. This is a major contribution by Canada which heretofore has not found it politically or economically feasible to make significant reductions in its protective tariff rates.

One of the most important Canadian concessions to the United States which will affect hundreds of American exporters is the reduction in the Canadian tariff on productive machinery from 22½ percent to 15 percent. For machinery which is "not made in Canada" the current duty of 7½ percent will be eliminated. When these concessions are implemented, all machinery which is not available in Canada will benefit from duty-free treatment. In this one sector, namely, production machinery, the Canadians have told us that their import entries number over 240,000 per year, so from this one concession duty reductions will most significantly assist a broad range of U.S. exporters. There are many more concessions from Canada which will benefit American exporters which I cannot cover in detail here today. However, a wide variety of goods is affected and duty eliminations were numerous. I should also mention that in our negotiations with Canada we were able to negotiate away a number of relatively small but irritating problems which have resulted from differential treatment by the two countries on items which are traded both north and south.

Japan's willingness to participate substantially and actively in the Kennedy Round was a welcome surprise to us, since many felt that Japan's rationale would be that since she was doing well with the present set-up, why join in a tariff cutting exercise? I think the answer probably is that Japan's export boom has led it to the conclusion that its economic prosperity could increase enormously if it could develop the markets for its products in countries other than the United States. Japan did join in and agree to mostly 50 percent reductions in her tariff. It is our hope that these reductions by the Japanese will open up areas for our products which have heretofore been closed to us because of high duties. We sometimes hear it said by United States manufacturers that they cannot sell in Japan because of low price competition. The fact is that we do sell large volumes of manufactured goods in Japan, and Japan's increasing prosperity, which should grow with the Kennedy Round settlement, creates a demand for more American products. We hope U.S. exporters will redouble their efforts to introduce new products to Japan and take another healthy look at the market for their current products.

All of these benefits carried a price tag and I am not going to stand before you and say that our negotiators gave the others a good shellacking. This is rarely the case for any country's negotiators, but in the Kennedy Round I think the United States negotiators did a very good job indeed. The Kennedy Round package is balanced. We came out with a reciprocal bargain, which was our goal. If the final agreement had not included benefits of roughly equal value for all concerned, it just wouldn't have been completed.

I would like to take you back to the beginning of the negotiations. The President's authority was to reduce all United States tariffs

by 50 percent. This was the prospect for almost every U.S. business that must compete with imports. The results, however, is that we reduced all our tariffs by an average of about 35 percent. Other countries' average tariff reductions are in this same area.

The items excluded from our tariff cuts are basically those which are experiencing severe import competition and those which in our judgment would be likely to suffer adversely if they were subject to a 50 percent reduction. So the United States removed a large number of articles from negotiation or made less than 50 percent cuts when it judged such a reduction was called for in light of import sensitivity.

I have been troubled in the last few days to read some very critical statements coming from some of our major industries. These statements have characterized the Kennedy Round as "one-sided," and have declared that actions taken on cutting U.S. tariffs will be "ruinous" in certain areas. I think we have to evaluate the results in Geneva as to what could have happened, what did happen, why the actions were taken, and what will be the impact. Let's look at three major sectors.

In steel, the weighted average reduction in United States tariffs coming out of the Kennedy Round was 7.5 percent on dutiable imports in 1964. A total of 54 percent of our steel imports were not subject to any duty reduction; only 1 percent of our steel imports was subject to a 50 percent reduction. This small reduction will bring our average tariff level down from a 7.4 percent weighted average to about 6 percent.

The reductions in tariffs were part of an attempt to harmonize tariffs on steel by producing countries. While we reduced 7 percent, the EEC and the United Kingdom reduced about 20 percent and Japan by nearly 50 percent. As you are aware, steel has a large dollar volume, with two-way trade totalling almost \$1.4 billion in 1964. It was not an element which could be excluded from the negotiations, but the actual settlement was of minimal impact on our industry.

What we have done is to try to make steel import duties a common factor in international trade. Prior to the Kennedy Round the United States had the lowest rates. Now the rates of the major countries are approximately even, averaging between 6 and 8 percent. Perhaps more important than the duty reductions is that for the first time the steel tariffs of all major producing countries will be bound against increase. I am not claiming that all problems in steel have been negotiated away. On the contrary, many remain, but the Kennedy Round agreement has come a good way towards removing unequal competitive conditions for trade in steel.

Textiles is similarly a very large sector of our international trade, and the growth of textile imports has been particularly strong in recent years. In return for a three-year extension of the Long-Term Arrangement for Cotton Textiles on the part of the exporting countries, the countries importing textiles agreed to reductions of about 15 to 20 percent and certain adjustments in import quota levels. Extension of the Long-Term Arrangement has been one of our chief goals in the negotiation and we are very pleased with this settlement, as are the leaders of our cotton textile industry.

In man-made fiber textiles our over-all reduction was about 14 to 15 percent. Our reduction varied by sensitivity, with yarn reduced by 37 percent, fabric by 18 percent and apparel by 6 percent.

Our reductions on wool textiles averaged 2 percent. Virtually every major sensitive item was excepted from negotiations. Items on which tariffs were reduced were mostly low trade nonsensitive items.

So we can again say that in a trade area

of large dollar value, with heavy pressure from many sources for expanded entry into our huge market, we come to a level of agreement in which all parties found benefit, and our negotiators were responsive to the serious problems faced by this key industry.

Probably the most publicized and perhaps the most controversial part of the Kennedy Round agreement is in the chemical sector. This agreement is in two parts, the first of which stands by itself as an integral part of the Kennedy Round package. Within the Kennedy Round package, the United States agreed to reduce its duties on chemicals by an average of 43 percent. The EEC is reducing by an average of about 20 percent, the U.K. by about 23 percent, Japan 44 percent and Switzerland 49 percent. United States exports of chemicals benefiting by these concessions amounted to about \$900 million in 1964 while our dutiable imports from those countries in 1964 amounted to about \$325 million. The favorable trade balance here is nearly 3 to 1, while the depth of tariff reduction with the exception of the U.K. and EEC is about equal to ours.

The second part of the chemicals agreement involves the American Selling Price—a system where the duty rate is levied not against the foreign invoice value of the imported product, but against the U.S. selling price of the competitively produced domestic product. In this part, the United States, provided the Congress enact the necessary legislation, will eliminate the American Selling Price on benzenoid chemicals and reduce all rates in its chemical tariff above 20 percent down to that level with certain exceptions. These are dyes, pigments and azoics which the United States would reduce to 30 percent and sulfa drugs which the United States would reduce only to about 25 percent. The EEC and the U.K. will then place into effect the remaining portion of their reductions so that the EEC total reduction on chemicals will equal about 46 percent and the U.K. 50 percent. Some U.K. rates will be reduced by as much as 62 percent. The end result will be that virtually all chemical rates in the EEC and U.K. will be at 12½ percent or below, whereas the U.S. will have many rates, as noted above, at considerably higher levels.

As a further element of the second part of the chemicals agreement, Belgium, France and Italy will liberalize the discriminatory aspects of their road tax system, Switzerland will modify its regulation limiting imports of canned fruit preserved in corn syrup, and the U.K. will reduce its margin of preference on imports of tobacco. Action on these non-tariff barriers will be taken as reciprocity for the United States elimination of ASP.

The chemicals negotiation was the most difficult to conclude but at the same time it was one of the most successful. We believe the United States has an excellent bargain in both packages and we are prepared to present the second package to Congress for approval as soon as time and conditions permit. The Kennedy Round chemical package is self-contained and will in no way be affected by Congressional action, which bears only on the second part. The benzenoid chemical industry is a strong and efficient industry which, in our judgment, will be adequately protected by the rates provided for in the ASP Agreement.

I might conclude by mentioning our attempts at removing non-tariff barriers. Here we have not achieved everything we wanted but on the other hand we certainly did not give others all they wanted. Our biggest accomplishment, of course, was the negotiation of international rules for dumping. These spell out Article VI of the GATT which covers this subject, and our accomplishment here is twofold. First, we have negotiated rules which do not require changes in our legislation and very little change in our administrative regulations on dumping. Secondly, we have achieved international agree-

ment for fair and open procedures for United States exporters who are charged with dumping abroad. Canada probably made the biggest contribution in this area by agreeing to require an injury finding before dumping duties are imposed.

We must recognize that beyond the ASP package and the antidumping code, relatively little was accomplished toward reduction of non-tariff barriers, though what was done amounts to a substantial beginning. The whole problem of non-tariff barriers will be a major portion of future GATT agendas, and we will be persistent in seeking effective solutions to problems we know trouble many American companies.

These, then, are the broad outlines of the results in the industrial sector of the historic Geneva negotiations so skillfully handled by Bill Roth, the late Christian Herter, and their able associates.

Thousands of individual barriers have been cleared from the avenues of world trade. But only you—the dynamic business leaders of America—can take advantage, for your companies and the whole Nation, of the opportunity offered. I was delighted to see a full page advertisement by a major U.S. air freight carrier announcing some forthcoming reductions on air cargo rates which are described as complementary to the tariff reductions in Europe. It is this kind of aggressive marketing that will lead more American companies to take advantage of increased trade opportunities abroad. The name of the game is "A Good Offense," and I know that American business will be even more skilled as they play it on a field which has fewer barriers as a result of the Geneva agreements.

AGRICULTURE'S STAKE IN THE KENNEDY ROUND (Remarks of Orville L. Freeman, Secretary of Agriculture)

I'm happy to be reporting to you today because I have a strong personal interest in the subject we are talking about.

For almost seven years now, I have worked hard to expand our country's foreign agriculture trade. And it has been gratifying work. I have had the satisfaction of seeing our country's agricultural exports grow from \$4.5 billion in fiscal year 1960, the year before I took office, to a new record of \$6.8 billion in the 1967 fiscal year that ended June 30. Exports for dollars climbed from \$3.2 billion to \$5.4 billion in the same period.

The other day I was talking to my Cabinet colleague Joe Fowler, Secretary of Agriculture, as you know, fights hard and effectively to strengthen the balance of payments position of the United States. Our country has many tough economic problems but none is tougher than the balance of payments problem—and it affects all the others. It is complicated by the fact that what other countries and international bankers do affects us strongly, yet is largely beyond our control.

Secretary Fowler said to me, "I don't know what we would do today if the annual agricultural exports for dollars hadn't increased \$2.2 billion since 1960."

He went on to say that we would long since have faced a national economic crisis of grave proportions, that the value of the dollar would have been seriously undermined were it not for the substantial flow of dollars into the Treasury from agricultural exports.

What he said is certainly true. Had dollar exports of farm products not continued to climb during these 1960's, we would not have had \$7.3 billion in cumulative dollar earnings that have been added to our balance of payments.

All this means that I approach this matter of trade negotiations and trade expansion with a deep personal sense of participation and involvement.

American agriculture came to the Kennedy Round in a spirit of expectation. We sought a general lowering of agricultural trade bar-

riers which would give efficient farmers, ours and in other countries, a greater opportunity to sell competitively in the world's expanding markets. We looked on the Kennedy Round as a means of helping world trade in general and our own export drive in particular.

To some extent our expectations were realized. Considering the problems encountered, we emerged with far better results than we thought possible during some of the darkest days when negotiations almost broke off.

We also saw first-hand why agricultural trade negotiations are so difficult. We learned that when our trading partners resisted lowering their trade barriers on agricultural products, in most instances they were pressed by the need to protect the income of their farmers.

The Kennedy Round experience confirmed my conviction that the difficulty of agricultural trade negotiations lies first and foremost in the universal farm income problem.

As a rule of thumb, around the world a farmer gets only about one-half as much income for his labor and investment as the non-farm sectors of the respective countries enjoy.

Governments, of course, are responsive to this discriminatory situation. The lowering of agricultural trade barriers will continue to be exceptionally difficult as long as farm incomes lag so far behind other incomes.

This farm income problem is not peculiar to foreign countries. It is our problem, too. In many cases it determines our own trade positions.

The last two months the Secretary of Agriculture and senior members of the Department of Agriculture have been holding shirt-sleeve sessions with American farmers all around the country, discussing the farmer's position in our economy and how to reinforce it. It was obvious at these meetings that farmers across the Nation are deeply and understandably concerned that they are not getting a fair share in our American prosperity.

Our farm prices today are lower than they were 20 years ago. Yet the cost of what the farmer buys has gone up 35 percent. Only by increasing his labor productivity 6 percent, annually more than twice the improvement made by American industry, has the American farmer managed to survive.

It is true that Government payments have helped some but even so our per capita farm income is only two-thirds of our non-farm income.

And it would be ever so much worse if our agricultural exports had not been steadily climbing to a point where today they absorb the production from one acre out of every four of his cropland and make a substantial contribution to his total receipts. Agricultural exports are of vital importance to every American farmer.

I would like to turn now to what we actually got out of the agricultural phase of the Kennedy Round.

We benefited in two ways:

First, we obtained from it some modest trade liberalization. The Kennedy Round will give us better access to some important foreign agricultural markets. Concessions won at Geneva will mean larger export sales in the years ahead for many of our farm products.

Second, the Kennedy Round made us aware of the problems we still face in bringing more order into world agricultural trade. It pinpointed the problems. To me, this is a very important result—and I would like to return to it later.

As to tangible benefits from the Kennedy Round, we gained considerably in our trade in fruits and vegetables, oilseeds, tobacco, variety meats, tallow, and a number of other products. The concessions granted by other countries covered more than \$900 million in their imports of such products from the U.S., 1964 basis. On agricultural products

accounting for over \$700 million—in which we have an important export interest—they cut their duties an average of more than 40 percent.

The Kennedy Round also is giving us a new grains arrangement which will provide additional price insurance to U.S. wheat producers. This arrangement contains significant food aid provisions, completely unprecedented in any multilateral accord of which I am aware. Apart from their intrinsic humanitarian worth, and this in itself is adequate justification for them, these provisions should open new commercial outlets for wheat and to some extent, feed grains.

Reciprocally, the United States cut its duties on some agricultural products and imports of such items can be expected to increase moderately.

Duties covering around \$500 million of the products we import were cut by an average of 39 percent. The existing duty or duty free status of an additional \$290 million worth of import products was bound against upward change. Many of our concessions relate to tropical products which we do not produce and were granted for the benefit of the developing Nations.

While bargaining is never without its "give" as well as "take," to the best of my knowledge no American agricultural producer will be exposed to serious economic injury as a result of the Kennedy Round. American farmers as a whole, because of their comparative efficiency, will be better off than they would have been had the Kennedy Round not taken place.

Concessions won at Geneva will mean increased foreign markets for a number of our farm commodities. Our agricultural exports are inevitably on an upward trend and would increase had there been no Kennedy Round. But the rate of increase unquestionably will be faster because of our negotiation successes.

Now I would like to return to my second point—our awareness of the problems we still face in further reducing world trade barriers.

The Kennedy Round has shown the trouble in trying to buy—with reductions in duties—removal of the major barriers still standing in the way of international agricultural trade.

The Kennedy Round has also shown that a massive, multilateral trade negotiation involving all countries and all products may not be the best way to get at the root of agricultural trade problems. It provides too much opportunity for side-stepping the real business at hand.

It has shown with startling clarity the complex and exasperating nature of the trade barriers in agriculture and, most disturbing of all, it has shown a fundamental difference among the major trading partners as to international trade philosophy. Let me explain this.

A concept of orderly trade is basic to a negotiation. Unless parties can agree on objectives, they rarely accomplish anything. There must be a mutuality of interest. There must be common ground in agricultural negotiations.

During this negotiation, all parties said they were trying to bring about more orderly agricultural trade, but I detected at least three different ideas of what "more orderly" meant. Each idea was put forward by a negotiating bloc powerful enough to prevent consensus.

The first said—let those who can—produce, whether the production is efficient or not. The only test is—are we physically capable of turning out the product and are we able and willing to bear the cost?

The second said—let those who can produce efficiently, produce. The test ought to be based upon who can produce abundantly, inexpensively, and well, and not upon who

has physical capacity and strength of treasury.

The third said—let those produce who must produce to exist. Whether inefficient or not, if we can only produce a few products, let us produce them and sell them because we must. This last view, of course, is put forward with increasing intensity by the less developed countries, which, in many cases, have neither the resources to produce cheaply and well, nor the financial capacity to subsidize heavily.

Given these three major conflicting views, is it any wonder that we were unable to make in this negotiation all the changes we desired?

The Kennedy Round was primarily a tariff negotiation. Tariffs remain an important means of protecting producers in many parts of the world. But in agriculture, particularly, other barriers are numerous and complex. Negotiators met with only limited success in removing or lowering them and, on the really hard-core products, had no success at all.

Overall, as I said earlier, the problem of liberalizing trade stems from the almost general disparity in income between farm and non-farm people. That disparity poses an obligation on every government to protect the incomes of its farmers and still make sure that all the people have enough food and fiber and other products of agriculture. It is an obligation that has called forth price and income programs in every country in the world. These take many different forms and they all affect world trade in one way or another.

The European Economic Community attempts to keep domestic agricultural prices high, for most products, through a variable levy system. The EEC sets the prices, and the variable levies remove the effect of outside competition. This is truly a formidable barrier to trade.

The United Kingdom favors the deficiency payment support system. Internal consumer prices are allowed to seek their own level. But producer returns are kept at government-set levels through producer payments. The impact of this system on exporters is more obscure, but severe nevertheless.

We have our support programs in the United States, also. In some cases—in cotton and wool—the program is a combination of deficiency payments and tariffs or quotas. In dairy, it is a combination of a support price and quotas and tariffs. In grains, we use a certificate program. Our system is different from others, in that in many cases we tie payments to acreage production. In this manner we prevent price-depressing surpluses. The United States is the only country in the world that has taken on the exceedingly difficult, politically hazardous, yet important task of limiting production. If we didn't do so, there would be a growing world surplus in the grains, cotton and tobacco with resultant international trade chaos. Yet this major contribution to orderly world trade goes largely unnoticed.

Government support programs often lead not only to import control but also to export assistance. The EEC has such export assistance. Denmark uses a two-price system in which prices for products marketed at home are held at one level, while exports are marketed well below that. Other countries use marketing boards that have great flexibility in price practices.

Because of such programs, just the other day I had to make the very difficult decision to recommend sharp restrictions on imports of dairy products into the U.S. This was not a pleasant decision. A country which exports as much as we do must be prepared to import as well. But the dairy trade had become sick. Under the EEC system of high dairy support prices protected by variable levies, production has increased to the point that heavy surpluses of butter and cheese are a glut on

the EEC market. Under such circumstances, an EEC export program operates almost automatically to move these surpluses out of the EEC, regardless of their impact on the trade of more efficient suppliers or on the economies of importing countries.

EEC butter, produced at a price of 60 to 65 cents per pound, was being sold in the U.S. for around 22 cents per pound. It was entering the U.S. as a butterfat/sugar mixture in circumvention of existing U.S. import controls on butter, and in quantities that were interfering with the operation of our own support program.

You will recall that not too many years ago the U.S. also had burdensome surpluses of dairy products. But we didn't dump ours indiscriminately into the international market. We stored them and used them at home in school lunch programs and to feed our needy. We moved them abroad only when demand was such that they did not disturb the international market. It is a pity that other major producers have not practiced similar restraint.

It can be seen, then, that even if countries were agreed on the kind of order they wanted to put into the international trading system, the task of reshaping its numerous and complicated systems and barriers would be a formidable one. Even to catalogue and understand them is difficult. To deal with them all at one time in a comprehensive way is virtually impossible. This also we learned from the Kennedy Round.

How then can we deal with these barriers? What kind of plan can be used? What should our agricultural trade policy be?

Ambassador Roth has mentioned the Trade Policy Study which he will undertake next year. This will help us decide. I cannot, of course, anticipate it. I can suggest, however, that he explore carefully the following principles, which I think are essential.

The underlying objective in U.S. agricultural trade policy must continue to be one of orienting agricultural trade to production efficiency.

In other words, those who can produce abundantly, inexpensively, and well, should produce and should be leaders in trade.

There will be exceptions, of course. If some countries insist on producing at heavy cost simply because they are so inclined and have the money, we can't prevent them. But we can try in every way we know to show them that they are wrong and where they are wrong, and try to get them to move toward the principle of comparative advantage.

We should start by focusing our attention on individual products or, at most, product groups, and we should seek to deal in depth with the barriers affecting them. I think we should start such explorations among key countries in the very near future.

In the work that lies ahead, we need also to recognize that the Kennedy Round had more significance for the industrialized nations than it had for the developing countries.

The United States tried hard to make the Kennedy Round meaningful for the less developed countries. In agriculture, we cut and in many cases eliminated duties on tropical products valued at almost \$120 million—products such as Indian cashew nuts, Brazil nuts, Philippine desiccated coconut, and so on. We committed ourselves not to put duties on fresh bananas and other products now duty free to the amount of another \$140 million. And we cut duties on some temperate products in which the developing countries have a trade interest approaching \$70 million. I know of no other area of the world that did as much in this way as the United States.

And much more needs to be done along these lines by all trading partners. President Johnson said last year at Punta del Este:

"We are ready to explore with other industrialized countries—and with our own

people—the possibility of temporary preferential tariff advantages for all developing countries in the markets of all the industrialized countries."

In other words, there may need to be special trade programs in addition to the special aid programs through which we have been extending technical, food, and other forms of assistance for a number of years.

This is not something that will come about quickly. But as part of the complex problem of helping the less developed countries to emerge, we do need to be open minded about their obvious need for remunerative markets for what they produce. Only by having such markets can they ever hope to pay their own way.

It is in our own interest that these nations grow to a trade basis. We are spending millions upon millions of dollars today in carrying out our worldwide technical, economic, and food aid programs. Our objective must be to turn this one-way flow into a two-way trade flow—and the only way this can happen is for the less developed countries to become stronger trading partners.

The largest potential market in the world lies in the less developed countries with their large populations and largely undeveloped resources. We see evidence of this market's awakening. There needs to be—and can be—a general springing to life in country after country. Modern man is an economic being. There is no tonic more powerful in bringing about this action than available markets for what the less developed countries have to sell—which, in turn, will make it possible for them to buy the things they need from us.

In this trading world of the future—which the Kennedy Round and its lessons will help to shape—I see American agriculture playing an even more extensive role in feeding and clothing the world than it is playing today. And I see this role carried out increasingly through commercial, dollar-earning export trade.

As I said earlier, during the fiscal year just ended we exported a new record value of \$6.8 billion worth of agriculture products. A record \$5.4 billion of this was in dollar-earning commercial sales.

A total of \$8 billion in U.S. agricultural exports by 1970 is a target we expect to reach. And we will go on from there, I predict, with \$10 billion in U.S. agricultural exports by 1980.

Further, I look for the big increases to take place in the dollar-earning type of exports which, as my friend Secretary Fowler has said, are giving timely and strategic assistance to our Nation's balance of payments.

Part of this continuing advance in our agricultural exports will come about through continued lowering of trade barriers throughout the world. Our products are competitive and they are needed. In many countries the continuing pressure for supplies will override pressures for self-sufficiency.

And as trade barriers are eased, we will continue—as we are doing—to follow up with aggressive market development actions. The Department of Agriculture is teamed today with U.S. trade and agricultural groups to promote sales of our farm products in more than 70 countries. This work is effective and is one of the strong reasons for my optimistic predictions.

As an example of this export promotion, I am announcing today that the Department of Agriculture and our many trade and agricultural cooperators will present a major agricultural trade exhibit in Tokyo next Spring—April 5 to 21, 1968. This will be one of our largest overseas promotion events in our largest export market, Japan, as you may know, now buys nearly \$1 billion worth of our farm products annually. From this exhibition we will strengthen further Japan's obvious goodwill toward U.S. food and agri-

cultural products. And, more tangibly, we hope to see Japan continue to increase its purchases from us, with \$1 billion only an interim milestone.

American agriculture has immense and growing influence in world affairs today.

This influence will grow as world population and incomes rise and demand is strengthened for the food and fiber we can produce with such efficiency.

But trade, ultimately, is the conduit through which the bounty we produce can reach foreign consumers. Fundamental to that trade is the extent to which the world allows comparative advantage to function.

The Kennedy Round resolved only some of agriculture's trade problems. Many remain. But I think the Kennedy Round did help to clarify the thinking of our own participants and of our trading partners. It gave us new insight and perspective as we try again.

And we must try again and keep trying. Only as trade in food and agricultural products is allowed to flow in a relatively unrestricted manner will the world's people share, as they should and must, in all the good things that modern science and technology can make available.

LABOR'S STAKE IN THE KENNEDY ROUND

(Remarks of James J. Reynolds,
Under Secretary of Labor)

I applaud with you the presentations of Secretaries Trowbridge and Freeman, and Ambassador Roth. They have set forth the background and accomplishments of the Kennedy Round so thoroughly that I will devote myself primarily to "Labor's Stake in the Kennedy Round."

Our business in the Labor Department is employment—and every billion dollars of goods we export support close to 100,000 jobs.

We are encouraged with the outcome of the Kennedy Round. We believe that the substantial tariff reductions which will become effective over the next five years will encourage expansion of U.S. exports and enable us to preserve and expand export-related employment opportunities in the United States. In total, we do not anticipate any unmanageable situations of labor dislocation resulting from the stimulus of increased imports although it could be that particular firms and groups of workers may be adversely affected. The combination of gradual implementation of tariff reductions over a five-year period and rapidly expanding manpower programs, in addition to adjustment assistance, will enable workers and firms to adjust to increased imports with minimum personal and corporate losses.

Our current balance-of-payments difficulty is not the only reason for U.S. industry to make special efforts to increase U.S. exports. Another reality with significant implications for domestic employment lies in the fact that, over the years, as U.S. productivity and efficiency has improved, the American manufacturer uses less and less labor per unit of manufacture. Consequently, we have to accelerate output in manufacturing just to maintain employment growth in manufacturing. For example, between 1960 and 1965 output in manufacturing increased by about 34 percent. However, during the same period, employment in manufacturing only increased by about 7 percent.

We are not complaining, mind you! We are aware that employment patterns are constantly undergoing change. During that same period, while the U.S. labor force was increasing by about 5 million workers, the number of unemployed dropped almost one-half million and the unemployment rate declined a full percentage point to an average of 4.5 percent in 1965. We did considerably better in 1966 when the unemployment rate dropped to 3.8 percent—the first time it has averaged below 4 percent for a year since 1953. And we hope to improve upon that in the future.

The efficiency of American labor and industry showed up closer to home also. Productivity improvements in the 1960-1965 period permitted U.S. workers to realize most of their increased earnings in increased real income—since price levels remained relatively stable, while gross weekly earnings increased considerably.

The efficiency of American labor and industry shows up in another critical measure, particularly in reference to our ability to benefit from the reciprocal elimination of trade barriers. Between 1960 and 1965, unit labor costs in manufacturing declined by about 2 percent in the United States. Only Canada showed signs of matching that performance. For our other major trading partners we note that unit labor costs increased about 16 percent for the United Kingdom, about 8 percent for Sweden, 20 percent for Japan, and between 25 and 37 percent for France, Germany, and the Netherlands.

But the considerable economic growth and integration achieved by the countries of the European Economic Community (Common Market) and the European Free Trade Area (EFTA) suggest that they will also achieve the ability to improve their cost performance in the future.

We are confident, however, that we can continue to improve our relative competitive position in world markets under our free economic and political institutions.

Developments in the Common Market and the European Free Trade Area made it increasingly imperative to successfully conclude the Kennedy Round negotiations. Both trading blocs have made considerable progress in the elimination of internal barriers to trade. EFTA has no tariffs between member countries, and the Common Market is scheduled to eliminate all internal tariff barriers on July 1, 1968. In 1966, the combined GNP of both of these regional trading blocs exceeded \$500 billion. Their internal markets are expanding and, like the United States market, offer tremendous opportunities for manufacturers to increase output at lower costs.

Both of the trading blocs maintain tariff and non-tariff barriers against U.S. exports, which in conjunction with productivity improvements to be expected from economic development and integration, could have serious implications for the expansion of U.S. exports and the degree and nature of import competition in U.S. markets.

It seems reasonable to assume that the tariff and non-tariff barrier reductions negotiated in the Kennedy Round, and the dynamic impetus created for the elimination of remaining tariff and non-tariff barriers in the future, will prevent both export restrictions and trade diversion from occurring.

We are trying here to identify labor's stake in the Kennedy Round within a dynamic world of changing political and economic conditions.

We cannot afford to be complacent in such a changing world. In fact, we stand to benefit considerably by participating in and shaping the changes that take place. I say again that we expect the benefits of the Kennedy Round to outweigh the cost of such temporary dislocations as may occur when competition increases. Our present stake in foreign trade is impressive.

In 1965, about 2.4 million jobs in manufacturing were attributable to U.S. exports of merchandise and another half million attributable to exports of services. Nearly 7 percent of total manufacturing employment was related to the export of goods and services. In the manufacturing sector, about 10 percent of the machinery industries' employment is export related—for the engine and turbine segment the ratio is 20 percent. About 10 percent of the industry employment was export related in the lumber and paper industries; 9 percent for scientific and measuring instruments industry; 10 percent

for aircraft; and 14 and 16 percent respectively for the chemical and synthetic materials industries.

We emphasize manufacturing employment because it is generally high-wage employment compared to other industry employment and because it constitutes about 30 percent of total nonagricultural employment.

In 1966, gross weekly earnings in manufacturing averaged about \$112, compared to an average of \$61 and \$79 respectively for employment in personal service occupations and wholesale and retail trade which together constituted about 36 percent of total nonagricultural employment.

Further, wages in our chief export industries such as the chemicals, aircraft, and machinery industries are about 10-30 percent higher than the average weekly earnings for manufacturing as a whole.

So, if the past and the present is any guide to the future, the stake we have in the Kennedy Round is high-wage and high-quality employment opportunities and everything that implies for a better standard of life for all Americans.

The role of imports is another area which we want to discuss frankly and constructively.

We sometimes hear the viewpoint expressed that, if we cut off or sharply reduce imports of a competitive product, employment and output in the domestic industry concerned would automatically increase. By implication, this argument could be read to suggest an increase in overall employment as well.

A complex and dynamic economy such as ours does not operate quite that simply. There may be particular cases where such a simple relationship might hold, but in an environment in which national policies are geared to achieve and maintain full employment and economic stability, such generalizations cannot be sustained.

Trade flows from country to country in the free world are reciprocal in nature. A restrictive act taken by one country tends to be matched by a restrictive response by other countries. The net effect of such acts is most often a contraction in world trade.

The economic effects of such a contraction would ultimately be a reduction, relative or actual, in exports from the United States, the country with the world's largest trade volume.

Foreign countries generally pay for goods in dollars which they acquire directly or indirectly from the U.S. as a result of foreign goods being sold to the United States. By restricting foreign access to U.S. markets, we would limit the dollars that are available to buyers who are potential customers of U.S. business. The effects could also extend to the loss of overseas markets where U.S. businessmen are now facing more aggressive competition from third countries and from domestic industry in the country involved.

In this era of close and complex international trade and economic relationships, consequences of measures which restrict imports are most likely to have a detrimental impact on U.S. exports, and by extension, on employment in export industries where wages tend to be higher.

My point is, that consideration of proposals to restrict imports for the benefit of a single industry must be examined in the perspective of the total national interest as it relates to employment, prices and output.

We must always be alert to situations which might culminate in widespread and unmanageable unemployment. Fortunately, our experience suggests that serious employment dislocation which can be attributed to import competition is relatively rare and can be accommodated by the present national and international trade policies.

Imports play a critical role in our complex economy. Not long ago layoffs were reported in the copper and brass products industry because of tight supplies of copper. Considerable price pressures were reported to exist

in the stainless steel industry because of nickel shortage. We note also a tendency for imports to increase when there is a possibility of an interruption to output arising from collective bargaining negotiations or other causes. Therefore, we find it difficult to accept the simple relationship that is implied in a statement that total employment can be increased if we produce domestically what we now import in considerable quantities, even if we do have the capability of making the product.

Import competition like any competition stimulates change. Such change may cause displacement of labor which will vary in duration depending on the speed of the change, the adaptability of the displaced worker, and the availability of alternative employment opportunities.

While we think it reasonable to assume that imports, as a competitive factor, may contribute towards displacements of labor and capital, the analytical arts have not advanced sufficiently to permit us to measure with any precision the impact of imports. In a sense Congress recognized this when it included the adjustment assistance provisions in the Trade Expansion Act. These provisions are based on the premise that no single group should bear the burden of injury that might result from an international policy that benefits the nation as a whole, and that the determination of possible injury due to imports can best be made after close examination of particular cases.

Aside from the employment opportunities which are related to the international exchange of goods and services there are the benefits that accrue to consumers with respect to the variety of products available in the market place and the less obvious benefits which accrue from the stimulus of worldwide competition on the basis of price, quality, and technology.

The conclusion we reach is that the benefits which accrue to labor and the nation as a whole as a consequence of our foreign trade are such that we look to future trade expansion resulting from the Kennedy Round agreements with optimism that the net result will be more employment at higher wages than would otherwise have been the case had the agreement been anything less than it is.

Before closing, I want to remind you of two programs which we think equitably protect and assist the legitimate interests of industries most vulnerable to import competition and which facilitate the expansion of world trade.

The first and more active program is that required as a result of our participation in the Long-Term Cotton Textile Agreement (LTA). A 3-year extension of the LTA was negotiated within the framework of the Kennedy Round. The Arrangement, over the years, has permitted a limited and gradual growth of imports in a manner which avoided disruption in the domestic market. The LTA has been an important factor in stabilizing employment conditions in the industry and in encouraging considerable improvements in technology and capital investment to be reflected in improved productivity and wages of workers in the industry.

The second program, I would note is the adjustment assistance program for firms and groups of workers, one of the major innovations of the Trade Expansion Act.

The adjustment assistance concept is that it makes more sense to try to improve the productivity of resources displaced or subject to displacement as a consequence of import competition than to restrict imports by means of higher tariffs or quotas—since under the latter there is no assurance that the necessary improvements will be made to allow the firm or industry and associated workers to compete with imports or other domestic competition.

Adjustment assistance for workers consists of a combination of monetary payments called trade readjustment allowances which

are based on the workers' past earning experience and limited to a maximum of 65 percent of the average weekly wage in manufacturing employment; training and retraining opportunities; and relocation allowances to assist heads of households to move to new locations where there is certainty of employment.

The desire to encourage improved productivity is illustrated by the emphasis Congress placed on training. Under the Act, if a worker refuses to avail himself of suitable available training opportunities, he can be denied other adjustment assistance. The emphasis on training is well placed. We all know from experience that the worker who is able to adapt to, and take advantage of, change has the best chance to enjoy a lifetime of rising income and stable employment. This program benefits all of us in the long run since by improving skills and worker productivity we increase our ability to expand the national product and thus make possible higher living standards for all.

Under the Trade Expansion Act, the Tariff Commission is responsible for making the initial decisions which determine whether firms or workers might be eligible to receive adjustment assistance. Only five worker groups and five firms attempted to obtain adjustment assistance under the Trade Expansion Act, and none of these groups or firms were found by the Tariff Commission to meet the criteria for eligibility for adjustment assistance presently in the Act. This experience has made both the Administration and the Congress aware of the need to modify the criteria so that the objective of the program relating to workers and firms can be more fully achieved.

We have had experience with the adjustment assistance program under the Automotive Products Trade Act which implements the U.S.-Canadian Auto Agreement. In 18 months of operation of the program, about 2,000 individual workers filed for benefits—of which about 1,100 were found to satisfy the eligibility requirements and subsequently to receive adjustment assistance benefits.

The adjustment assistance benefits available to workers under the Auto Act are identical to those provided in the Trade Expansion Act, although the procedures for gaining access to the program, and the criteria for determining worker and firm eligibility are substantially different. Under the Auto Act, the Tariff Commission conducts an investigation as to the facts of the situation. The Automotive Adjustment Assistance Board, made up of the Secretaries of Labor, Commerce, and Treasury makes the determinations of eligibility for groups of workers and firms.

We believe that adjustment assistance is an effective way to assist workers and firms to adapt to changing economic conditions. It is in this spirit that the Administration will be asking the Congress to amend the Trade Expansion Act to insure that the intent and promise of the adjustment assistance program can be realized by workers and firms who have been displaced because of import competition.

To conclude, I would like to leave you with this brief summary of our stake in the Kennedy Round:

Job Opportunities—Higher Wages—Stable and Rising Incomes and, in the case of dislocations resulting from import competition, The Opportunity to Improve the Skills and Earnings Potential of Displaced Workers.

AGRICULTURAL DEPARTMENT STUNTS HURT FARMER

Mr. THOMPSON of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from South Dakota [Mr. BERRY] may extend his remarks at this

point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BERRY. Mr. Speaker, the Department of Agriculture submitted a report to Congress last Friday which dealt with the parity income position of the American farmer. Despite some tricky figure juggling, changing of terms and plea that parity is "no longer a meaningful term," the sad state of American agriculture shows through.

Everyone still knows what parity means and everyone knows it is at the rockbottom figure of 74 percent, the lowest since the depression days of the 1930's.

No amount of tampering with the statistics can fall to hide the fact that the American agricultural economy is at low ebb. Imports continue to flow in at record high levels and with apparent administration blessing. Action, when it does come, as in the case of dairy import curbs, is too little and too late. And for every commodity which is eventually looked at by the administration, another dozen are neglected.

Most tragically, of course, is the fact that the farmer is not receiving a fair price for his products, no matter how you judge the figures. It makes little difference if the Department calls it "parity," or "parity of income," or "parity returns," or whatever term they are going to come up with next week, one fact stands out: the American farmer is being shortchanged.

This, when added to the fact that the Secretary of Agriculture can find nothing better to do except become hysterical at congressional hearings, casts a gloomy shadow over rural America for the coming year.

INTER-AMERICAN DEVELOPMENT BANK

Mr. THOMPSON of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. HARVEY] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. HARVEY. Mr. Speaker, it is my understanding that a very critical amendment will be offered when legislation, H.R. 9547, on the Inter-American Development Bank is considered by this body, perhaps later this week.

The amendment, defeated in the House Committee on Banking and Currency, would reduce the U.S. financial participation in this program from \$300 million to \$250 million for each of the next 3 years.

I personally hope that such an amendment is not offered. But, if it is offered as now reported, I intend to vote against it.

At this time, Mr. Speaker, I would like to explain thoroughly my opposition to such an amendment. In doing so, I would first emphasize that, like most Members,

I am well aware of the pressing financial burdens on our Nation. I would also point out that I have called for and voted for appropriate cuts in Government spending on several pieces of legislation already considered by this 90th Congress.

However, I do believe we must consider "special facts and figures" associated with the operations and functions of the Inter-American Development Bank.

Foremost, I believe, is that fact that this is a loan program. It is not a giveaway proposition. In 6 of the 7 years that I have served in Congress, I have not been able to support our country's foreign aid program. I felt and I still do that its unilateral approach was unsuitable. Furthermore, this tired program has failed to encourage the proper "investment" and responsibility from the benefiting countries. Of equal importance, of course, is that the United States simply cannot afford outright cash gifts any longer. Actually, it is questionable whether we could ever afford to be Santa Claus to the world.

I recall that during debate on acceptance of the Asian Development Bank early in 1966, I commented that I supported not only the Asian Development Bank, but the International Development Association and the Inter-American Development Bank.

As a member of the House Committee on Banking and Currency at that time and for my first 6 years in Congress, I was and remain convinced that these international organizations are just as well, if not better run than our own foreign aid programs in many instances.

I view this type of legislation—Inter-American Development Bank—as the means of encouraging multilateral support of worthy projects. These are loan programs—not giveaways.

For example, the Inter-American Development Bank is a regional lending institution which includes the United States and the 19 other members of the Organization of American States. I would mention that this organization was established during the Eisenhower administration in 1959. I would also point out that Cuba is not a member and is not eligible for membership.

We are, of course, aware of the activities of Mr. Castro and the constant activities of the Communists to spread unrest, and yes, even revolution throughout Latin America. We have a vital stake in the future of Latin and South America to say the very least.

Thus, I feel it is doubly important that we in the United States welcome opportunities advanced by the Inter-American Development Bank so that these countries can help themselves. It is to our own best interests to lend a helping hand.

While I know the next point that I make will be mentioned many times, it is important enough to renumerate here. That is that the U.S. participation in the Bank will be reduced from 85 percent to 75 percent. H.R. 9547 would authorize \$900 million as the U.S. share of the proposed \$1,200 million increase in the resources of the Fund for Special Operations—FSO. The remaining \$300 million would be supplied by the Latin nations.

While the percentage of U.S. participation decreases, an increase of 100 percent is scheduled for the Latin nations. I can think of no greater evidence of the Latin nations' willingness to undertake self-help measures than their agreement to increase their financial participation at such a great rate.

The measure, as reported by the House Committee on Banking and Currency, is a reasonable approach in my judgment to reaffirm our Nation's sincere desire to help our neighbors and to strengthen the best interests of the entire Western Hemisphere. This is not the time to be shortsighted, and as a result, shortchange our friends in need.

NASA SHOULD KEEP CONGRESS INFORMED

Mr. THOMPSON of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. RUMSFELD] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. RUMSFELD. Mr. Speaker, an important provision of S. 1296, which was approved by the House of Representatives on Wednesday, June 28, 1967, requires that the Administrator of the National Aeronautics and Space Administration shall keep the Congress "fully and currently informed" with respect to all of the activities of NASA.

The purpose of this provision is to place upon NASA an affirmative duty to keep both the Senate and the House informed. It complements the current law which requires only that NASA may not withhold information from Congress. The recent hearings on the tragic Apollo 204 fire raised serious questions, first as to the general availability of information from NASA upon request from Congress, and second, as to the responsibility of NASA to voluntarily come forward and make information available to Congress on NASA's own initiative.

An example of the basis for requiring NASA to bring forth information is found in the matter of the Phillips report. In two respects, the issue of the Phillips report illustrates the need for the new information provision in the NASA authorization bill. First, NASA felt no obligation to reveal the existence of the report to anyone, even when asked about it directly. Had there been a requirement to keep the committee informed, the committee might have been aware of the management and quality control problems experienced in the program before it took the Apollo accident to bring the matter out. Second, the Phillips report referred to NASA having been "forced to accept slippage in key milestone accomplishments, degradation in hardware performance and increasing costs" from the contractor. In two regards, the new information provision would adjust such a situation; the contractor might be more intent on living up to his contract if he knew NASA had to inform the Congress of problems with program progress; and

the Congress would not be put in the position of being presented with a fait accompli during hearings on the yearly NASA authorization and having no choice but to accept increased costs and/or postponed goals.

NASA Administrator Webb stated, in reply to questioning before the Senate committee, that NASA had no guidelines as to when serious situations such as the conditions underlying the Phillips report would be brought to the committee's attention. Yet findings of the Phillips report closely parallel the findings of the Apollo Review Board. For example, finding 10 of the Apollo Review Board included:

Deficiencies existed in Command Module design, workmanship and quality control. These deficiencies created an unnecessarily hazardous condition and their continuation would imperil any future operations.

Conclusions of the Phillips report, which was prepared "as a result of the continued failure of—the contractor—to achieve the progress required to support the objective of the Apollo program," include the following:

Delayed and compromised ground and qualification test programs give us serious concern that fully qualified flight vehicles will not be available to support the lunar landing program.

(Contractor) quality is not up to NASA required standards . . . Performance goals for demonstrating high quality must be established. And trend data must be maintained and given serious attention by management to correct this unsatisfactory condition.

It is well to note in this context, that at the time the Phillips inspection was made and the report rendered, the spacecraft in which the fatal fire occurred was on the line at the contractor's plant.

Since NASA has never had the requirement which the information amendment would make law, it is hard to project the benefits to NASA and the committees of Congress which might result. The experience of the Joint Committee on Atomic Energy, as stressed by its chairman, Senator PASTORE, suggests that adoption of the amendment could only work "to the advantage of the committee and to the advantage of the taxpayers."

By far the most eloquent demonstration of the need for the amendment is the nearly identical language of the committee reports on the authorization. In the House report, the committee which adopted the amendment stated:

The committee believes that this section is necessary to better enable the committee to carry out its legislative and investigative responsibility to oversee the activities of NASA, and in order that the committee will be aware of potential problem areas prior to their crystallization.

The Senate committee did not adopt the amendment, but included in their report stronger language than appeared in the House document, and included the following:

You committee wishes to re-emphasize the policy that the Administrator of NASA should keep the Aeronautical and Space Sciences Committee of the Senate and the Committee on Science and Astronautics of the House of Representatives fully and currently informed with respect to all of the

activities of the National Aeronautics and Space Administration. Only in this way can these committees properly perform their responsibilities in connection with our national civilian space program.

One of the arguments used against the information provision is: "The requirement to keep the committees informed is already in the present law." This argument falls short of the mark. The most superficial reading of the present law indicates that NASA is prohibited from withholding information, but not affirmatively required to produce it absent a committee request.

Another argument put forward in opposition to the information provision can be stated as follows:

The amendment will create too much work for the members of the Space Committees.

This objection is belied by the experience of the Joint Committee on Atomic Energy. The amendment is not designed to broaden the scope of information which could be made available to the committees; it only requires that NASA exercise initiative in supplying information to keep the committees informed. Moreover, in the light of disclosures during the recent Apollo hearings, the committees should at minimum be afforded the opportunity to assess whether they personally are doing enough by way of keeping abreast of the space program.

A third argument against the information provision is:

The amendment implies a criticism of NASA and Administrator Webb that is unwarranted.

Any criticism of NASA or Mr. Webb, real or imagined, would be outweighed by the opportunity to restore public confidence in NASA-Space Committee performances and relationships.

Improvement is imperative in the relationship between NASA and the Senate and House committees in the matter of NASA-originated information. Public confidence in NASA and the goals of our space program require not only improvement in the information flow, but also recognition of the problem and manifest intent to solve it.

Arguments against the information provisions are curious. Neither in substance nor in practice is the present law sufficient. Overwork can hardly be a problem, since both committees in their reports indicate dramatic improvement in information flow is required. The public interest demands enactment of a measure which could only improve the access by the people's representatives to the taxpayers' space program.

It is my sincere hope that the provision requiring the NASA Administrator to keep Congress "fully and currently" informed will be included as an integral part of the finally approved NASA authorization bill for 1968.

CAPTIVE NATIONS WEEK

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

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

There was no objection.

Mr. BOB WILSON. Mr. Speaker, the week of July 16-22 is Captive Nations Week. This is an excellent time for us to look back over a half century of communism and see what it has done to the world. Perhaps no plague has ever done the damage to mankind that communism has inflicted.

Those 21 countries that compose the captive nations have been afflicted with the blight and terror of world communism for up to two decades. The people of the Soviet Union now have spent 50 years working for Communist masters. Thousands of people have been killed, tortured, torn from their homes, forced into slave labor.

In a pamphlet, "Review of U.S. Policy Toward the U.S.S.R.," Mr. Lev E. Dobriansky points out that the Russians have attempted to propagandize the world into believing that the huge land mass which it now claims is really Russia. He notes that the original Soviet Union was enlarged by conquest and that the Soviet Union today is a centralized Communist government ruling over captive non-Russian nations.

Dobriansky states it is a myth that these nations are progressing toward independence. He said the "interlocking" Red syndicate that controls the captive nations may have squabbles, but that the control is ironclad, harsh and unyielding.

We hear much these days of establishing a "detente" with the Soviet Union. This, of course, has been a long-held goal of the Communist world. Our active role in Vietnam today, with the Soviet Union directly and militarily opposing us there, should preclude any moves to lessen our cold war alertness toward the Russians at this time. The performance of Mr. Kossygin following the Glassboro "summit" indicates that there has been no thaw in cold war strategy by the Communists.

The goal of the Reds when they broke into power in Russia in 1917 was world domination. They have not abandoned that goal. They have made substantial territorial gains in their 50 years of subjugation, subversion, maneuvering, betrayal, and warfare.

As the Soviets celebrate their half century of power, it behooves us all as Americans to examine our role in today's world, to reaffirm our commitment to freedom, and to remember that 50 years from now the Soviet Union would like to celebrate an all-Communist world. We stand in their way. We stand for the hopes of freedom-loving men and women everywhere—including those millions who now live in the captive nations of the Red orbit.

MILITARY TRAINING OF PERSONNEL OF ARAB NATIONS

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

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

There was no objection.

Mr. BOB WILSON. Mr. Speaker, I am appalled to learn from the Department of Defense that the United States currently is training military personnel of Arab nations, despite the fact that these same nations are receiving military aid and equipment as well as advice from the Soviet Union. In my judgment, this entails a grave risk to our national security and should be stopped immediately.

It takes no great imagination to realize that when we train military personnel from other nations they necessarily must receive a certain amount of confidential information and instruction in the use of classified strategic weapons. Also, of course, they become familiar with U.S. military training techniques.

Currently, for example, we are training military personnel from Iraq, Libya, the Sudan, and Syria even though these nations have broken diplomatic relations with the United States. We also are training personnel from Jordan, Lebanon, Morocco, Saudi Arabia, and Tunisia. Personnel from the latter two countries are even receiving instruction at the Army Staff College, Fort Leavenworth, Kans. Altogether we are training nearly 350 military personnel from nine Arab nations.

It is inconceivable to me that the Soviet Union will not take full advantage of the opportunity to relieve these Arab military personnel of the information they have received in the United States, or at U.S. bases overseas where some of

the training takes place. And it is also inconceivable that neither the Department of State nor the Department of Defense has not recognized the breach of security involved here and brought it to a prompt end.

In my judgment, both Departments owe the American people a full explanation for this irresponsible attempt to win back diplomatic relations with these Arab countries at the expense of endangering our national security.

With permission granted, I include the attached documents from the Department of Defense, which list the current number of Arab military personnel receiving pilot training in the United States, and the number of Arab personnel who received training of all types during the past 4 years:

Pilot training conducted in the United States for military personnel from the Arab countries and Israel

Country	Number of personnel trained during period fiscal year 1964-67	Number of personnel currently in training
Iraq.....	10	0
Israel.....	0	4
Jordan.....	5	24
Libya.....	8	0
Morocco.....	48	10
Saudi Arabia.....	4	7
Sudan.....	6	3
Total.....	81	48

NOTES

1. Pilot training includes both undergraduate pilot training for new pilots and advanced training for experienced pilots.
2. There is no pilot training being conducted for other Arab countries.
3. The pilot training for Israel, Jordan, and Saudi Arabia is under the foreign military sales program.

U.S. military training for selected countries

Country	Fiscal year 1964			Fiscal year 1965			Fiscal year 1966			Fiscal year 1967		
	Grant aid	Other	Total	Grant aid	Other	Total	Grant aid	Other	Total	Grant aid	Other	Total
Iraq.....	44		44	45	2	47	40		40	42		42
Israel.....		19	19		164	164		63	63		62	62
Jordan.....	40		40	23		23	33	5	38	51	98	149
Lebanon.....	274		274	343	1	344	616		616	21		21
Libya.....	81		81	69		69	57	8	65	80		80
Morocco.....	138		138	50		50	206		206	324		324
Saudi Arabia.....	102		102	110		110	140	2	142	93	26	119
Sudan.....	9		9	38		38	25		25	24		24
Syria.....	7		7	8	1	9	6		6	11		11
Tunisia.....	45		45	34		34	57		57	51		51
United Arab Republic (Egypt).....		1	1		3	3		3	3			
Yemen.....	2		2									
Total.....	742	20	762	720	171	891	1,180	81	1,261	697	186	883

NOTES

- United States has not provided military training for Algeria, Kuwait, or Mauritania.
- "Other" training includes that provided either by the U.S. military services on a tuition-free basis or under the foreign military sales (FMS) program.
- The training programs for fiscal year 1968 for Iraq, Sudan, and Syria have been suspended.
- The above totals include an insignificant number of foreign civilians trained at U.S. military schools.

YOU CAN'T BEAT SOMETHING-FOR-NOTHING—UNTIL YOU FIND IT'S NOTHING

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

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

There was no objection.

Mr. ASHBROOK. Mr. Speaker, during the 89th Congress I inserted in the CONGRESSIONAL RECORD the texts of several advertisements sponsored by the Warner & Swasey Co., of Cleveland, manufacturers of machine tools, textile machinery, and construction equipment. Warner & Swasey has received over the years many commendations from people who have seen their ads but who did not necessary use their products. The reason

for this is the fact that this company believes in selling, through its ads, the philosophy of individual responsibility which has made out Nation great, yet unique.

For instance, the latest Warner & Swasey ad, as it appears in the July 24, 1967, issue of U.S. News & World Report is of page size, yet the bulk of its message is slanted toward all American citizens. Warner & Swasey fully realizes that the welfare of its business efforts goes hand in glove with the welfare of the United States. Would that such wholesome double vision were more widespread.

I insert the latest Warner & Swasey advertisement in the RECORD at this point, for its brief message provides much food for thought:

YOU CAN'T BEAT SOMETHING-FOR-NOTHING—UNTIL YOU FIND IT'S NOTHING

When you offer me higher wages, security for my old age, part of my rent free—I'd be foolish not to take it all and want more, wouldn't I?

Until I learned (too late) that I was paying for my "free" rent in higher taxes all my life; and that my high wage (no one demanded I produce more, to pay it) increased costs and the prices I had to pay so I was paying my own bigger pay and that of others, too; and that my old age "security" evaporated when dozens of government "plans" brought inflation to wipe out savings and security.

"Something for nothing" is sucker bait and can never be anything else—and the fish who take it have only themselves to blame for getting hooked.

COUNTERING COMMUNIST PROPAGANDA

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

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

There was no objection.

Mr. ASHBROOK. Mr. Speaker, it was stated recently by a commission of 18 top military experts working with the American Security Council that:

For a half-century, Soviet leaders have time and again repeated that Communism's ultimate objective is world domination. But many in the Free World simply refuse to believe that the Soviet leaders mean what they say.

Now, exactly 50 years from the inception of the first Communist state, world communism is massing a propaganda barrage which will laud their alleged gains, and serve to subtly temper ghastly memories of Communist methods and true history. It will be an unparalleled opportunity for the Communists to broadcast to the world and it will also come as an unparalleled challenge to the free world to counter a worldwide propaganda effort.

It is imperative for all persons to know the truth about the last 50 years. This next year, as never before, the people of the United States, faced with this all-out Communist effort, will be called upon to defend their system of government and their belief in God-given freedom.

To illustrate the fallacies perpetrated in the name of world communism I would like to cite the table of contents of "Workers' Paradise Lost: 50 Years of Soviet Communism, a Balance Sheet."

This book has been prepared by Eugene Lyons, associate editor of Reader's Digest and one of America's most discerning anti-Communists, as a treatment of the last 50 years of communism. In addition to his excellent work, "Assignment in Utopia," Mr. Lyons can be remembered as one of those who fought against communism when it was unpopular to do so, and who has consistently warned against the soft-line policies which portray a mellowing Communist leadership.

The table of contents gives some idea of the "myths" which the Communists would have the free world believe.

WORKERS' PARADISE LOST: 50 YEARS OF SOVIET COMMUNISM—A BALANCE SHEET

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- Part I. Verdict of Five Decades.
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 3. The myth that Soviet communism is "Marxist" and "socialist".
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 14. The myth that communism provides abundance for the ordinary citizen.
 15. The myth that the Soviet Union since de-Stalinization has become "liberal" and is evolving toward democracy.
 16. The myth that Soviet Russia is anti-imperialist and anti-colonial.
 17. The myth that Soviet Russia has been a champion of world peace.
 18. The myth that "peaceful coexistence" means what it says.
 19. The myth that Soviet communism has fostered progress in science.
 20. The myth that the Soviets have promoted the arts and culture.
 21. The myth that communism is a rational model for underdeveloped nations.
- Part III. What Price Communism? A summation of the costs of Soviet communism in terms of life, terror, political and civil rights, moral values, and world disorder.
- Part IV. Whither Russia?

STUDY BOOKS

In addition to Mr. Lyons' book there are many other texts which present myriad facets of the true legacy of the October revolution.

While other means will be used by the Communists to sell their version of the last 50 years, the majority of their prop-

aganda will come through the written word.

As Dr. Stefan T. Possony, authority on psychological warfare and revolution has stated:

Manipulation of language constitutes one of the Communists' most potent weapons in their drive for world domination . . . To the Communists, words are tools to achieve effects, not means to communicate in the search for truth.

Every Communist communication must convey an orthodox, that is, revolutionarily activating message to the party and its followers.

This same communication must convey a different, i.e., soothing, pacifying, and paralyzing message to the opponent of communism.

Readers of this propaganda must, of course, be wary of the difference of terms, the unstated premises, the predication of propaganda statements and arguments.

Mr. Speaker, I would like to include at this point a list of books which covers a wide range of topics dealing with communism. Use of these and other texts can add vital information to methods and operations of communism over the last 50 years and will serve as part of a set of basic reference works for persons interested in the "legacy" of the revolution.

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- Burnham, James; "Containment or Liberation"; John Day Co.
- Burnham, James; "The Web of Subversion"; John Day Co.
- Dallin, David J.; "The New Soviet Empire"; Yale Univ. Press.
- D'Arcy, Martin C.; "Communism and Christianity"; Devin-Adair.
- de Toledano, Ralph; "Spies, Dupes and Diplomats"; Duell, Sloan & Pearce.
- de Toledano and Victor Lasky; "Seeds of Treason"; Funk & Wagnalls Co.
- Dodd, Vella V.; "School of Darkness"; P. J. Kennedy, N.Y.
- Fox, Col. Victor J.; "The Pentagon Case"; Freedom Press, Inc., 520 Fifth Avenue, New York 36, N.Y.
- Gousenko, Igor; "The Fall of a Titan"; W. W. Norton & Co.
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- Hoover, J. Edgar; "Masters of Deceit"; Holt, N.Y.
- Hunter, Edward; "The Black Book on Red China"; The Bookmailer, 30 West Price Street, Linden, N.J.
- Hunter, Edward; "Brainwashing"; Farrar, Straus & Cudahy.
- Leites, Nathan; "The Operational Code of the Politburo"; McGraw-Hill, N.Y.
- Meerle, Joost A.M., M.D.; "The Rape of the Mind"; World Publ., Cleveland.
- Morris, Robert; "No Wonder We Are Losing"; The Bookmailer.
- Noble, John; "I Was A Slave in Russia"; Devin-Adair.
- Orwell, George; "Nineteen Eighty-Four"; Harcourt, Brace & Co.
- Overstreet, Harry & Bonaro; "What We Must Know About Communism"; W. W. Norton & Co.
- Philbrick, Herbert A.; "I led 3 Lives"; Grosset & Dunlap, N.Y.
- Possony, Stephen T.; "A Century of Conflict"; Regnery.
- Root, Prof. E. Merrill; "Brainwashing in the High Schools"; Devin-Adair.
- Taylor, Henry J.; "An American Speaks His Mind"; Doubleday.

Weyl, Nathaniel; "The Battle Against Disloyalty"; Thomas Crowell Co.

U.S. House of Representatives, 1956; "The Communist Conspiracy: Strategy & Tactics of World Communism"; U.S. Gov't Printing Off., Washington, D.C.

Committee of the Judiciary, U.S. Senate; "The Communist Party of the United States of America: What it is—How it works"; U.S. Gov't Printing Off., Washington, D.C.

"Report of the Commission on Government Security"; U.S. Gov't Printing Off., Washington, D.C., 1957.

United Nations International Labour Office—Geneva, 1953; "Report of the Ad Hoc Committee on Forced Labor"; Imprimeries Reunies S.A., Lausanne, Switzerland.

In a continuing personal effort to counter false views of communism, I submit three articles by the well-known FBI counterspy and student of communism, Herbert A. Philbrick.

FIFTY YEARS OF SOVIET HELL

(By Herbert A. Philbrick)

Nietzsche wrote: "Violence, slavery, danger in the street and in the heart, everything evil and terrible in man serves as well for the elevation of the human species as its opposite."

The history of fifty years of Soviet hell has proved Nietzsche wrong.

The built-in characteristics of communism—violence, slavery, danger, and evil—have served only to generate more violence, more slavery, greater danger and more evil than in any other fifty-year period of recorded history.

This year—1967—will mark the fiftieth anniversary of the so-called "Bolshevik Revolution." On November 7, 1917, the dictators of the Red criminal conspiracy all over the world will be celebrating their "birthday." Enormous plans are already formulated for a massive propaganda campaign boasting the "achievements" of communism, alleging great progress for the people living under communism, and promising a bright new world for those still living in the non-communist areas. This will be brought about by the "inevitable" victory of the Soviet socialist empire.

Many millions of Russian rubles have been allocated for the mammoth task. Every medium known to the communist propagandists will be used to sell the Big Lie of communism. At this moment special films are being produced in Moscow for distribution in America. Several brand new slick communist propaganda publications have already appeared, and more are in the offing. New and enlarged propaganda quarters have been opened in the captive nations as well as in the Soviet Union itself. Every fellow traveler, quisling and collaborator in every country will be expected by the Soviet bosses to play a role in promoting or simply passing on the Big Lie messages.

It behooves all those who cherish liberty, therefore, to "gird their loins with truth" now—before the wave of communist filth descends in full force upon us. It must become the task of every freedom fighter to expose not only what the communists have failed to do for the people—as they have promised—but what, in the process, they have done to the people.

This will be no small task. The whole story of Soviet hell is gigantic in proportion—so great, that no matter how many volumes may be written, the story will never be adequately told. In sheer horror it boggles the imagination; it is impossible for human mind to encompass it.

There is an added danger. Hitler is alleged to have justified mass murder on the grounds that wholesale extermination would generate less opposition to Nazism than individual killings; "one death is a tragedy; a thousands deaths is a statistic."

But insofar as the communist criminal conspiracy is concerned, we are confronted not with thousands, but multimillions of murders.

In terms of mass extermination of human life, no totalitarian power in history can begin to match the efficiency of the communists.

HOW MANY HAVE PERISHED?

How many people have been murdered by the communists—as part and parcel of communist programming?

In preparation for this series on fifty years of Soviet hell, I queried by phone and mail some of the most authoritative sources I know—men who have spent years in diligent study of Soviet horror.

And the net answer is: God only knows—it will probably be beyond human capacity to ever find out, for certain.

The lowest estimate made was 60 million people killed by "liquidation," planned starvation and torture . . . and this only for Russia and the captive nations of Europe. Another estimate was 84 million—again, not counting Cuba, Korea, Tibet, China or Vietnam. Nearly everyone I queried agreed that if one were to include all countries captured and enslaved by the communists in the last fifty years, the number of people deliberately exterminated would run something over 100 million.

WHAT ABOUT CHINA?

The number of victims in China alone runs into untold millions.

While we are on the important subject of China—this comment and prediction.

First, to all newspaper stories alleging that "Mao" now has things well in hand and that victory has been won by the "Mao forces," with "peace" returning soon; get yourself a great big rubber stamp, and label all such "news" stories bunk—spelled b-u-n-k.

Although the struggle does include many disgruntled members and former members of the communist apparatus, this is not the whole story or even the big story. Basically, the struggle is in fact a last-ditch, desperate effort by the non-communist workers and peasants in China, who comprise the vast majority of the population, to rid themselves of the brutal communist dictatorship. Whenever you read "Anti-Mao" in the press, then, translate it to "Anti-Communist."

Prediction; based upon the course of such revolts by the people against communist dictatorships in other countries and at other times, the awful struggle in China will, in all probability, continue for as long as three or more years.

Will the people win? Based on the record, the answer is; probably not. No country once enslaved by the communists in the last fifty years has ever become free—despite the most desperate efforts of the workers and farmers.

The only way the people of China could defeat the communist minority would be with outside help from the United States and the free world—and there is no indication the U.S. policy is designed to help any victim of communism, anywhere in the world, once the communists have seized control.

What, then, will end the struggle in China? Mass starvation. Strong bodies and strong wills stand up against guns and tanks, terror and torture—but once starvation sets in, then both the will as well as strength to resist vanishes. The destruction, the killing, the plundering in China will first bring economic chaos; and following economic chaos, death by malnutrition.

There is only one factor which might change the picture; the age and health of Mao Tse Tung. If Mao should suddenly die, it is difficult to predict what the headless hydra might do.

One can only speculate what might have happened, for example, if at the very height of the Hungarian revolution, Khrushchev had suddenly died. Hungary might be free

today; indeed, such a happy circumstance might very well have sparked the spread of revolution throughout the whole Soviet empire, and brought an abrupt and violent end to communism everywhere in the world.

One thing, however, is certain; the suffering of the Chinese people during these terrible days will be intense. Wherever communism touches the lives of people, there is tragedy, death and disaster. So long as communist tyranny exists, and so long as the desire for freedom persists, common people will die by the millions.

WHY?

One may ask; why? Why the brutality, the torture, the terror?

The apologists for Red Tyranny brush off the crimes of communism with all sorts of ingenious alibis; and they will be doing so during the 1967 communist propaganda campaign.

One line is that the Reds were simply guilty of "excessive zeal"; like bad little boys they were over-exuberant. Another is that it was all the fault of bad old Joe Stalin, who "went too far" . . . but now, we are told, all that has been corrected and so there is no need to worry ourselves about communism in the future.

Another line—which has been repeated every single year for the last fifty years by perennial optimists; "If we just wait a while, it will go away"; Communism will mellow, or is mellowing, or has mellowed. Thus, we are advised, we should do nothing. Since "doing nothing" is the easiest way out, lots of people have bought this line, and because we have so often "done nothing" while the communists were doing something, the Reds have walked away with victories they should never have won. Indeed, it is easy to find many such examples during the last fifty years.

Another line is that although all communists are communists, there are good communists and bad communists, and all we have to do is help the good communists. (But never, never help the victims of communism.)

Others will admit the "mistakes" the communists have made, but then blame their "mistakes" on us! This is the line of Dr. John C. Bennett, long-time mentor of the Union Theological School in New York, and a leading light in National and World Council of Churches circles. He actually goes so far as to alibi that "the errors of Communism are in large part the result of the failure of Christians." This is nothing less than a playing of a long-standing childish trick. When a small child does something wrong, he or she will frequently point an accusing finger at anyone handy and pout: "It's all your fault!" Some adults with childish minds actually believe Dr. Bennett's excuses for the evil ways of communism.

Another "excuse" for the sinister deeds of communism is that nice old Karl Marx had a good idea; only trouble was, it didn't work out in practice. I am almost ashamed to admit that back during college days, having been fed the "liberal" line about communism, this was one of my own mistaken ideas. It took two or three years inside the communist apparatus for me to find out how totally wrong I was; that the ideas, the theories, the philosophy of communism is the very essence of pure evil; and that far from the evil ideas of communism not working in practice, they have worked in practice and are working in practice right now, all over the world.

MASS MURDER JUSTIFIED

Mass murder takes place under communism not because "mistakes" are made; but because the extermination of human beings is part and parcel of the communist program. It would take much too much space to document all of the Marxist-Leninist

theoretic jargon in this field, in our small Bulletin; I would refer you to "Communism, Its Faith and Fallacies," by Dr. James D. Bales (Baker Press, \$4.00) and to the testimony of Dr. Fred Schwarz, on "The Communist Mind," which you can obtain by writing to the Allen-Bradley Company, Milwaukee, Wisconsin.

When the communists talk among themselves of slaughtering humans, they speak as casually as if they were slaughtering cattle. Their own official records show that they laugh while discussing mass liquidation.

It was at the eve of the fifteenth Communist Party Congress in December, 1927 that Dictator Joe Stalin coolly announced the proposed "liquidation" of the Kulaks—the farmers. But from a purely practical view, this was impossible. After all, pointed out Pravda, the communist propaganda paper, a large percentage of the grain was provided by the so-called Kulaks.

One influential Bolshevik stated: "We do not intend to shoot all the kulaks and their children straightaway. The kulaks make up five percent of the total population and number many millions." In view of this, "more lenient" methods were recommended, such as sentencing them and their families to forced labor, particularly in the Far North, Siberia, and the Far East.

This recommendation was acted upon, and is duly noted in the official communist records. All of the kulaks' property—houses, furniture, farm implements and reserves of food were confiscated and thousands upon thousands of the kulaks deported, in cattle cars. One conservative source puts the number of deportees at three million peasants plus their families. Of these, 25% died in the immediate process.

The number who perished from 1928 to 1935 in Russia numbers something over 20 million.

In his speech of February 1956, Khrushchev cited some of the entire populations which had been wiped out entirely during the winter of 1943 and spring of 1944. He laughingly stated that "the Ukrainians avoided meeting this fate only because there were too many of them and there was no place to deport them." All the comrades in the hall laughed.

COMMUNIST VICTORY

Many people are under the illusion that the communists kill people *before* the takeover. This is not so. The record shows that communism comes to power by trickery, by deception, by making false promises and by lulling the people to sleep. It is *after* the communist takeover that mass murder begins in earnest.

Then having established and consolidated Soviet power in one area they then move on to the next area. This, the communists tell their own members, will continue until the entire world is conquered.

Here are the official pronouncements, from the communists' own manuals of instruction, clearly defining their criminal code of aggression and terror:

"Soviet Foreign Policy is a socialist foreign policy . . . Party principles concerning foreign policy form an organized part of its program, strategy and tactics . . . the foreign policy of the USSR is a continuation of the Soviet state's internal policy. In this way it is subordinate to the basic and principal aim of Soviet internal policy; to build socialism in our country and to ensure the necessary conditions for the transition to Communism."(1)

"The victory of socialism in one country is not a final aim in itself. Revolution in one country is not to be considered as a self-sufficient quantity, but rather as a means of furthering and accelerating the victory of the proletariat in all countries. The victory of the revolution in one country . . . is at

the same time the first stage and necessary condition for world revolution."(2)

"First, the country in which socialism is victorious should do all it can in its own land to develop, support and encourage revolution in all countries. Second, in the victorious country the proletariat which has expropriated the capitalists and organized socialism at home, must rise against the remaining capitalist world, attracting to itself the oppressed masses in other countries, stirring them up to rebellion against the capitalists and, if necessary, employ military force against the exploiting classes and their states."(3)

The communist plan for the conquest of America, therefore can be summarized in the formula so well expressed by Dr. Fred Schwarz; "External encirclement, plus internal demoralization, leading to progressive surrender."

FOOTNOTES

(1) From Large Soviet Encyclopedia, published Moscow; vol VIII, Pg. 257.

(2) J. Stalin, Questions of Leninism, Moscow, 1947, Pg. 102.

(3) BSE—Large Soviet Encyclopedia, vol VIII, Pg. 572.

The second of Mr. Philbrick's articles deals with the use of "positive and negative incentives." He titles it "How To Make Slave Labor Pay":

FIFTY YEARS OF SOVIET HELL—II: HOW TO MAKE SLAVE LABOR PAY

(By Herbert A. Philbrick)

The year 1967 will find the communists boasting many alleged "achievements" reached during the first fifty years of Soviet socialism.

But of all the "achievements" of Soviet tyranny, the most remarkable and dubious achievement is that the communists have learned how to make slave labor pay off.

This discovery of the communist capitalists (your definition, Mr. Rockefeller, not mine) must be cited as the most remarkable of all the inventions of communism; because the history of modern economy has demonstrated that slave labor, from a cold-blooded point of view, is simply unfeasible because the slaves lack incentive to produce.

Yet, in the Soviet empire, where every worker is chained to a treadmill leading nowhere, undeniable gains have been made. How could it be done?

The answer is to be found in an ingenious interlocking of two powerful tools, sometimes called "the carrot and the stick," but more accurately defined as positive and negative incentives.

Every other year or so, somebody or other makes the wide-eyed "discovery" that the communists use incentives. It is then proclaimed abroad the land that the communists are becoming capitalists.

If the use of incentives makes the communists "capitalists," then they have always been capitalists because they have always used incentives. Soviet socialist economy would utterly and immediately collapse without incentives.

However, there is a vast difference between "incentives" in a moral society, built upon the idealism of brotherly love, the integrity and value of the individual, and a God-given code of conduct, as against the "incentives" in the God-less, scientific, mechanistic society of Soviet socialism.

All of Soviet society, insofar as the behavior and control of man is concerned, is built on the "scientific" theories of Marx and Pavlov. Man is a conditioned animal. Man responds to his environment. And the environment in Soviet captive nations is called "scientific socialism."

The Russian scientist Pavlov found that animals can be conditioned to respond, or react, in a programmed pattern by two types of stimuli; reward and pain.

And he furthermore found that the negative stimuli of pain always produces a quicker, greater, and more enduring response than "rewards."

By using a base stimuli of pain and then adding a small portion of "reward," he could reach the highest level of response. By scrambling the pain-reward signals, he found he could literally demolish the animal-machine servo-mechanism, thus laying the foundations for communist brain-washing, thought control, and "voluntary" confessions.

For example; let us suppose Pavlov wanted to induce a monkey to "produce" labor by pushing a certain lever. Every time the lever was pushed, a piece of banana (reward) would pop into the cage. This would work fine—for a time. But after a while the monkey would no longer be hungry. He would then stop "working." Or the monkey would get tired and decide to sleep rather than eat.

Then the Reds switched to a "negative" incentive in the form of pain by electric shock, sent at regular intervals. By pushing the lever just before the elapsed time—quickly learned—the monkey would avoid the pain. Now they had something! Now the monkey "worked" in earnest. The muscles in his arms would get lame and sore. He would get sleepy and angry. No banana, however enticing, could get the monkey to work. But rather than endure the pain of electric shock, the monkey would keep throwing the lever to the absolute maximum of endurance. Sleep he would go without. Food he could do without. But pain he would do anything to avoid.

In harnessing human labor, the communist capitalists (your definition, Mr. Eaton, not mine) have harnessed the most powerful incentive of all—the will to survive. And for fifty years, the Soviet socialists have alternated first the carrot and then the stick; then the carrot, and again the stick (or, more accurately, the club). For fifty years the Reds have first used terror, torture, jailings, starvation, liquidation; and then, when the club would no longer work, whip out the carrots and the bananas and the five year plans, and the great promises for the future utopia. At this particular period, the Reds are using slightly more carrot and slightly less club—but both negative and positive incentives are still used.

An excellent example of negative-positive incentives used today was noticed by Trade Union expert Meyer Bernstein during a United Nations tour of Soviet steel plants last year (reported in detail in another part of this issue). He found that the average base pay in the Soviet steel monopoly was 120 rubles a month—truly, a "painfully" low income, far less than necessary to provide the "comforts" of socialist society. By adding "positive" incentives in the form of bonuses and awards for superior performance, however, the communist bosses are able to prod the workers to produce an average of 24% above the work norms. The worker ends up getting only what the Red bosses wanted him to have, but he has worked an awful lot harder to get it.

In the concentration camps, fifty years of Soviet hell has produced still another and more horrifying refinement of the negative incentive racket. Here, of course, since the slave laborers are being punished for alleged crimes, the idea is to pay them nothing. How, then, to get them to produce?

Here, the incentive used is food. The very best description of the technique is to be found in the little book by Roger Baldwin entitled "A New Slavery." Here you can find the whole program outlined in all of its obscene excellence.

Mr. Baldwin noticed that the concentration camp slaves worked "as though their lives depended on it." Why? Because, reported Mr. Baldwin, "this is quite literally true."

The trick is to first fix very high work

norms. Then the KGB applies the Soviet law that "he who does not work, does not eat." If you produce your work norm, you are given a certain portion of food. If you fail to produce the norm, your food ration is cut.

But now the diabolically clever minds of the KGB slave masters come into play. The food ration is fixed precisely at the level of starvation. Hence, any cut in the food ration now puts you below the starvation level. Less food means less strength; less strength means less work, thus resulting in a still further deduction of food.

Hence the slaves in concentration camp indeed do work "as though their lives depend upon it"; because, explains Mr. Baldwin, "failure to meet the work norm places one on a descending spiral, at the end of which is death."

And, of course, millions upon millions have indeed met death by starvation in the Soviet Socialist Workers Utopia—the Utopia so nobly defended by pseudoliberals in the United States.

Only last month I met another former inmate of the Red communist concentration camps. I mention him only because he happens to be the most recent of innumerable victims I have interviewed over the years, and he will not be the last. This man, now living in Southern California, was an officer in the Polish Army during the last war. He was wounded at Tobruk and returned to Poland—just in time to "greet" the Red "liberators." The Soviets immediately began to wipe out all Polish patriots who possessed outstanding qualities of leadership and dedication to freedom. Although my friend, as a Polish Army officer, qualified for liquidation, because of his war-wounds he was granted the "privilege" of slave labor in Siberia. That was when the United States Government was sending millions of dollars of aid to the "Great Russian Government" and "good old Joe." At long last he managed to escape, and arrived in the United States in 1954. Today he is an American citizen—the most grateful, the happiest American citizen you could find, his face still aglow with wonderment as he explained: "The freedom here! It is unbelievable! And the food! Americans throw away more food every day than those in concentration camp have to eat."

He indicated a size about one quarter of his fingernail. "A piece of fat—that big—would be as manna from heaven!", he exclaimed. "We competed with horses, dogs, rats, for food—anything a horse, or dog, or rat could eat—we would eat."

"I look at my garbage pail today, and I think; how wonderful it would be if somehow I could magically transport that Garbage pail to the prisoners in the concentration camps today, because I know how much it would mean to them." *

Yes—we must admit, in Fifty years of Soviet Hell the communists can indeed boast many achievements. By building a mountain of bones collected from the bodies of millions of worker-victims, the Soviet empire has climbed from 6th or 7th place to second place in world military power. Hitler by comparison was a rank amateur, a mere beginner. The swastika has been utterly overwhelmed by the Hammer and Sickle, the emblem of death that now covers one third of the world. Hal the glorious 50th anniversary of Soviet Power!

The third article is a highly dramatic account of the methods of communism entitled "How Communism Functions Today":

*Because my Polish friend has been threatened with bodily harm if he speaks out, his name is not given here. The KGB has long arms—and they reach into every corner of the earth, including the United States.

FIFTY YEARS OF SOVIET HELL—III: How COMMUNISM FUNCTIONS TODAY

(By Herbert A. Philbrick)

Picture this scene vividly in your mind.

It is just about dusk. You have finished dinner at home with your wife and family, and you now look forward to a comfortable, relaxing evening with a popular book you have been planning to read.

Suddenly there is a loud splintering crash. The door of your home is smashed in, and two fierce and haggard appearing men burst through the gaping hole. Covered with dirt and grime, they are wearing what appears to be some sort of soiled Army fatigues. Each carries a sub-machinegun, leveled menacingly in your direction.

Your wife starts to scream, but her cry is choked off by sheer fright when one of the gunmen yells "shut up!" and points his ugly weapon straight at her midsection. Your family dog, the friendliest pet in the neighborhood, aroused by the racket and clatter, bounds in from another room—as much out of curiosity as concern. The second gunman swings his weapon from the hip and in one short, ear-splitting burst, blasts the animal into a nearly unrecognizable mass of flesh, bone, blood and gore.

Horror stricken, the acrid odor of gunpowder in your nostrils, you are herded with your wife and terrified children to the broken doorway, where you are shoved through by brutal and painful jabs of the gun butts. Although it is now almost dark outside, you are able to discern that the same fate has also been the lot of your friends and neighbors up and down the street. At a given signal, every home has been forcefully entered, and all the inhabitants captured. There had been no warning, no time to resist. You later learn that the entire block had been surrounded and sealed off by a Red guerrilla band of some 50 or 60 men. Telephone lines have been destroyed, so that the entire area is helpless to call for outside help.

The guerrillas, you later discover, are not amateurs but trained professionals who have spent months of arduous "liberation" techniques under the expert direction of a man implicated in the murder of President John F. Kennedy.

All of the inhabitants in the neighborhood—men, women and children—your friends, neighbors, church and business associates—are herded to a spot near the center of the block. Huddled together, nearly paralyzed by fear, you are completely encircled by the armed thugs. There is not the slightest chance for you or anyone else to attempt an escape.

You are now face to face with a small sector of the iron curtain—a capsule sample of the obscene Wall of Berlin.

A spokesman for the Red guerrillas steps forward, and begins a communist "New Left" tirade. You are told that the U.S. government is powerless to protect you—indeed, that the authorities have no interest or concern in helping you, because they are simply the tools of big capitalist interests, the same capitalists who are guilty of committing imperialist aggression in Vietnam.

The Red orator viciously attacks the President of the United States. "The great body of your countrymen regard with abhorrence the course to which Mr. Johnson has committed the United States in Vietnam," he screams. This course "affronts both our practical judgment and our moral sense." He accuses the President of being arrogant; of gambling with our country's future; of not having courage; of "betrayal" that is "sinister"; of "nihilistic strategy" and "totalitarian tactics." "We are ashamed by his actions and revolted by his dishonest excuses and pretenses," he declares.

After the brief hate message, two of the armed Red Guards step forward, and while you nearly pass out from fear, grab the man next to you and drag him out before the cowering people. He is a schoolteacher; well

known to everyone, adults and children; a recognized leader in community and civic projects. Unknown to you, a careful preliminary intelligence report prepared by communist spies had pinpointed him as the one man in your block as having outstanding leadership qualities, and one whose loyalty to the United States is unquestioned. In the other areas similarly invaded and held by the communist guerrilla forces, the "key" patriot had been carefully selected; the Mayor; the Chief of Police; the Superintendent of Schools, and so forth. If, on the other hand, the communist intelligence survey had revealed that the Mayor was pro-communist and anti-American, then his life would be spared. Only those leaders who were "super-patriots" were selected for liquidation.

The victims, in themselves, were unimportant; simply so long as he or she was a symbol, in the eyes of the people, of organized, lawful government.

Before your horrified eyes, the schoolteacher is forced to his knees, his hands lashed behind his back. After subjecting him to unspeakable indignities, a gun is placed at the back of his head, the trigger is pulled, and his brains are blown out before your eyes.

With the warning that any person found to support the United States Government would be similarly dealt with, you are then told that you can return to your home.

Fiction? May God help us—no. This is a factual account of what is taking place right now; this day, this week, this hour. For the U.S.A., substitute Thailand.

For President John F. Kennedy, substitute former King Ananda Mahidol. For your neighborhood, substitute the village of Ban Houli Sal. For your home and family, substitute the defenseless and blameless homes and families in northeast Thailand.

For the verbatim, factual account of the whole bloody, rotten, stinking methods of the communist criminals, send one dollar to Mr. John M. Fisher, President of the American Security Council, 123 North Wacker Drive, Chicago, Illinois 60606. Ask him to send you their security report No. WR 67-15, dated April 10, 1967.

It's all there, in detail; names, dates, places, facts and figures.

All, except for the exact words of the communist propaganda harangue. These were lifted from a message given, not in Thailand, but in the United States. The words appear in an advertisement which appeared in the Los Angeles Times, dated March 29, 1965. The hate message was signed, among others, by such notables as Lewis Mumford, Dorothy Bricker, Hugh DeLacy, Stephen Fritchman, Michael R. Hallinan, S. M. Lazarus, Hugh R. Manes, and Ben Margolis.

The name of Steve Fritchman is particularly interesting to me, since I knew Steve rather well during the time I was a counter-spy for the F.B.I. in the Boston, Massachusetts area. Steve, at that time, occupied an office in the headquarters of the Unitarian Church on Beacon Hill Boston. His Girl Friday and right hand assistant was Martha Fletcher, the chairman of my communist underground cell. We met in her apartment. I can recall the whole business rather vividly, because Comrade Martha was a rare exception in the communist apparatus—a most attractive female.

I can also recall one particular evening when we were discussing our Red security methods, designed to conceal the criminal and subversive activities of the top-flight "pro-group" section of the apparatus. After carefully going over the "cover" stories of each of us, it was concluded that we were in good shape. Even Comrade chairman Martha was pleased. "The only thing the F.B.I. has on me," she declared, "is that I work with Steve Fritchman."

Years later, during the hey-day of the no-

torious outfit of the assassin Lee Harvey Oswald—the Fair Play for Cuba Committee—advertisements of meetings of the FPCC appeared frequently in the left wing press on the West Coast. A street address for the meetings was given. It turned out that the street address was one and the same of a certain Unitarian "Church" in Los Angeles. And it further turned out that the boss at the "Church" was a certain Steve Fritchman.

Needless to say, the Fair Play For Cuba Cuba Committee meetings were abruptly discontinued when one of its card-carrying, dues-paying members, Lee Harvey Oswald, gunned down the President of the United States. But the hate propaganda against the United States which had been pushed under the heading of "Cuba," was simply continued under the new heading of "Vietnam." The vicious attacks against President John F. Kennedy, are now directed at President Lyndon Johnson.

One has to hand it to old Steve, however. Fifty years of Soviet hell have yet to make him sick to his stomach. Through all the days of the bestial reign of bloody Joe Stalin; in the double-cross and brutal occupation of the captive nations of Europe; in the ruthless slaughter of the Hungarian freedom fighters; in all of the torture and terror and brutality rained upon the hapless people of Cuba; in the rape of Tibet; and now in the inhuman, scientific slaughter of innocent men, women and children of Thailand and Southeast Asia, Steve Fritchman has remained "one of the most typical sponsors of communist front organizations" in the United States. He has yet to vomit.

The case histories here cited dramatically illustrate three hard and fast facts:

First—that in spite of all claims of Soviet "mellowing," one can easily point to current day tactics by the communist international which are no less heinous than in the very darkest days of Stalinism. Persecution, torture, terror, the slaughter of innocent victims for political objectives is just as much a part of communist theory and practice as it always has been.

Second—in support of the program of the communist international, communist propaganda fronts still flourish in the United States, aided and abetted by those who have similarly supported communist and pro-communist causes over the years.

Third and lastly—in this year of great celebration and jubilation for the communists, marking 50 years of Soviet conquest dating from November 7, 1917 to November 7, 1967, it behooves all those who love liberty and cherish freedom to not only continually and constantly expose the truth about present day communism, but also to challenge those who would spread the lie that the communists have changed.

Whenever and wherever you may encounter such an individual, demand that proof be produced from communist sources that the Red bosses in Moscow have told their members to cease and desist their attack against the United States; or that the communists have disavowed the teachings of Marxism, Leninism; that they abandoned any of their basic ideology including atheism; materialism; socialism; the need to establish the dictatorship of the proletariat; the use of force and violence to accomplish one's ends; or the goal to communize the entire world after the Soviet pattern.

NEW CONCEPTS IN WEALTH STATISTICS AND CAPITAL BUDGETING

Mr. THOMPSON of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. Curtis] may extend his remarks at this point

in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CURTIS. Mr. Speaker, on June 22 I had the great honor of addressing the American Marketing Association. This group was at that time exploring the need for more refined and accurate tools for use in measuring and understanding our modern economy.

I am inserting in the RECORD today my prognostications on the promise and value of an inventory of the Nation's wealth as a statistical tool:

NEW CONCEPTS IN WEALTH STATISTICS AND CAPITAL BUDGETING

(By Representative THOMAS B. CURTIS)

It is impossible to imagine today how a modern economy could operate without the knowledge provided by the national income accounts—our familiar GNP.

Yet this indispensable tool for understanding our economy was developed only over the past three or four decades. Given our heavy reliance on the GNP, it is an astonishingly recent development.

Now there are new stirrings within the statistical fraternity. Within the past two years, a significant and potentially massive effort has been launched to develop another key statistical tool. I am speaking of an inventory of the Nation's wealth.

I strongly suspect that before too many years have passed, wealth statistics will rank with the GNP in usefulness to economists, government officials, and businessmen. Thirdering how we ever got along without them—ty or forty years from now we shall be wonjust as we do today about the GNP.

As you know, the effort was formally inaugurated by the Wealth Inventory Planning Study, under the direction of Professor John Kendrick, which followed pioneering work in this field by Professor Raymond Goldsmith. The Kendrick study was published by the Joint Economic Committee in late 1964 and hearings were held and a report issued in 1965.

The Subcommittee on Economic Statistics, which conducted those hearings, had only one problem: it was difficult, if not impossible, to find witnesses who were opposed to the collection of wealth statistics. The witnesses and members of the Subcommittee enjoyed a rare—and to me almost disturbing—unanimity of opinion.

Why do I say disturbing? I certainly am wholeheartedly in favor of developing these statistics. They will have many critical uses which are not clearly foreseen even now. But more of this later.

If there is a single reason why I felt uneasy at the unanimity expressed at the Committee's hearings, it was because so little attention was paid to what wealth statistics would not include. The usefulness of any statistical series depends upon a precise understanding of the limitations of the data. Unless carefully interpreted, statistics can become misleading guides to policy action.

Let me give you an example relating to our national income accounts.

I regret to say that even our GNP data is frequently misused. Increases in GNP are often equated with true economic growth or wealth creation. Yet the Gross National Product is an indicator of economic activity, not economic growth, and certainly not of wealth creation.

This is a case of confusing indicators with causes. You cannot get an elevator to come to your floor by manipulating the floor indicator. I think we have to become more sophisticated in economics so that we distinguish

between basic economic forces and economic indicators which measure these forces.

The best rebuttal to those who imply that GNP measures economic growth is to point out that during periods of war the economy is highly active, economically and in every other way. Gross National Product soars to high levels. Unemployment is very low. Yet no one would contend that this reflects true economic growth. Quite the contrary. It is economic activity that eats into wealth, albeit protecting to the extent it can the wealth that is already in existence.

Even in peacetime, economic activity may destroy wealth, rather than create it. This is particularly true in a society governed by central economic planning. Witness some of the gross errors committed by the Russian economic planners, such as in agriculture or in the heavy public investment in hydroelectric plants instead of coal burning steam electric plants. These errors of economic judgment showed up as increased Gross National Product because they stimulated economic activity. But ultimately they proved to be economic mistakes. They used up wealth, instead of creating it, and economic activity itself diminished in the long run. The ability of the Russian economy to move forward has been sharply limited by these economic errors which were hidden by the inability of the GNP indicators to measure the quality of economic activity.

The importance of understanding the limitations of economic data will apply equally to wealth statistics. The development of these statistics, which is now going forward in the Department of Commerce, emphasizes physical or material wealth. However, we must keep firmly in mind that wealth includes much more. Among the meanings cited in the dictionary, we find, "those energies, faculties, and habits directly contributing to make people industrially efficient."

I continually pose a hypothetical question to businessmen. I ask, "What if you were confronted with the choice of losing all of your physical assets or losing the skilled personnel that you have built up over a period of years? Which would you choose?" The answer comes quickly. In effect, they say, "We'll take our personnel and go to work in a barn." I am sure that many industrial leaders of Germany, for whom the destruction of their physical plant was a fact after World War II, understand perfectly what our own businessmen mean.

As an economy matures, the emphasis on human wealth, as opposed to physical wealth, increases sharply. Human skills gain in relative importance to physical assets. Mass production in our society is completely dependent upon mass distribution and mass services. A mature society emphasizes those areas where the need for human knowledge and skills is greatest but which often require relatively less tangible or physical wealth than manufacturing.

By concentrating our attention on physical wealth, we measure only one part of our real wealth and tend to shove into the background the areas that I feel we must emphasize more and more. The enactment of the Investment Tax Credit illustrates the type of problems we can face in this area unless we understand the meaning and limitations of the wealth statistics that are being developed. The investment tax credit applies to investment in physical capital. Certainly this is important. Investment in plant and equipment stimulates real economic growth. But is that enough? I think not. Investment in human resources is equally, and perhaps more, important.

Our tax laws currently discriminate against training and education. Yet such expenses are clearly a capital investment that creates a tremendous return to the individual and to society. Our neglect of human wealth is further highlighted by the

fact that we have not yet set up statistical series on job vacancies, nor do we have a common nomenclature on skills.

It is true, of course, that measuring our human wealth poses difficult conceptual and technical problems. But difficult or not, we cannot neglect the fact that wealth really consists of a combination of physical goods, the tools, along with the know-how of human beings. Physical wealth without human skills can create an economic waste. I think, for example, of the Inter-American Highway, which was built before a concept of proper maintenance had been developed and trained personnel made available. Some of the wealth that was created has deteriorated as a result.

So as we move forward in this area of wealth statistics, let us bear in mind that we rely more and more heavily on human knowledge. It becomes more important in relation to physical wealth, and it becomes essential that we stress and understand the difference.

Having raised those cautionary signals, let me emphasize again how anxious I am that we move forward with the collection of wealth data. Not all of the problems have yet been solved, nor will the wealth estimates that eventually emerge be perfect. But had we waited for perfection, we probably would not have our national income and product accounts today. Even these are undergoing constant improvement.

The value of wealth statistics is that they will provide some of the answers to many of the most difficult questions facing economists, particularly those relating to economic stability, growth, and resource allocation. In addition, there are some little-emphasized but vital uses of wealth statistics which will serve important objectives of public policy. I want to discuss four of these briefly with you today.

First, our present depreciation schedules are completely unrealistic in a time of such rapid technological change. These schedules are still based on the concept of useful life wearing out. I have thought for some time that with technology improving as rapidly as it is in the United States today, depreciation should be based on obsolescence (useful economic life). For example, we need more realistic depreciation schedules for buildings. I have noticed in my own community of St. Louis and elsewhere that buildings are being torn down that appear to be perfectly usable. When I have inquired why, I have often found that it is because they are not air conditioned, and that it may actually be more costly to install central air conditioning or even window air conditioning than to build a new and modern structure from the ground up. I think we are seeing more and more of this kind of obsolescence, and it has a great bearing on our attempts to measure wealth. I hope that one useful fall-out of the wealth inventory is additional and more realistic data on lengths of life that could be used by the Treasury Department to revise the depreciation guidelines in accordance with these realities of obsolescence.

Second, the poverty program necessarily required some attempt to define poverty. Initially, a family was said to be poor if its annual income was below \$3,000 a year. This has since been revised to take account of such factors as number of members in the family, but our poverty guidelines still remain seriously deficient.

One of the largest groups said to be poor are our aged. Obviously the current income of many aged persons is considerably below what it was during their earning years. But very often, these same people may have assets in the form of cash savings, stock, Government bonds, household furnishings, and a dwelling that is fully paid for. I would expect that our wealth inventory would give us a better idea of the assets of this and other groups in our society and thus help us to

understand the poverty program better and to shape our programs with more realism and precision.

Third, I have felt for years that one of our best taxes is the property tax. Essentially, the property tax is a tax on wealth based upon a continuing process of assessment. It has responded nobly since the end of World War II, financing the vast increase in state and local expenditures, particularly for education.

There is still a need for modernizing our property tax laws and in keeping them up-to-date—which means, among other things, modernizing our zoning laws. Few communities can support schools or community facilities with a property tax based heavily on home assessments. A combination of up-to-date zoning and assessment can, however, produce a balance between industry, commerce, utilities, and private homes that is capable of producing fine community facilities, ample revenue, and little debt.

The interesting fact about the real estate tax is that it produces funds that are spent largely to increase the valuation of the very real estate that is taxed. The expenditures from the real estate tax directly relate to increasing and preserving community wealth. A well-defined real estate tax system creates an incentive to utilize real estate to its greatest economic potential. As a good tax system is established in context with up-to-date zoning laws and building codes, increased wealth flows to the community.

In developing wealth statistics, we should look to the inadequacies of the assessment process of local Government in computing wealth. I was highly pleased that the Subcommittee on Economic Statistics noted in its report that a national wealth inventory would prove highly useful in studying the mitigation of present wide variances in property tax laws and assessments.

Finally, the collection of wealth statistics should be coupled with the development of a capital budget for the Federal Government. Those economists and policy-makers who have emphasized the aggregate impact of Federal spending on economic activity have tended to erode the fiscal discipline upon which a sound expenditure policy must rest. The aggregate economists have said, in effect, that we must have spending for spending's sake, in order to stir up economic activity when aggregate demand is insufficient. This philosophy undermines a sound and wealth-creating expenditure policy.

If the purpose of Federal spending is to equate demand to the economy's capacity, then what does it matter what you spend the money for, so long as it is spent? In my view, expenditure policy must relate to what the money is spent for. If Federal outlays are for investment purposes, they must increase wealth and earnings. If they are for current expenditures, they should not exceed present revenues, except in periods of identifiable emergencies, and the length of those periods must be related to the basic wealth already in being. Military expenditures are designed to protect the wealth and the institutions of society itself. But these expenditures are non-wealth-creating in themselves, and should therefore be supplemented as soon as possible by future wealth-creating expenditures. I can think of no expenditures more likely to create wealth than those on education and training. It has a powerful effect in creating more wealth and new and increased earning capacity.

The reason I believe a capital budget for the Federal Government is vital is that it would give us means of evaluating expenditure policy. We would know what portion of Federal spending is being devoted to capital or investment expenditures, and we could judge those outlays accordingly. We would also be in a position to know the level of current expenditures and to establish the amount of current income necessary to cover those expenditures.

These, then, are some observations about possible uses of the wealth inventory that I consider important. Obviously, there are many others that could be cited. There is no doubt in my mind that the intelligent formulation of public policy in the future will require data on the Nation's wealth. The collection of these statistics is not only going to require a substantial outlay of funds, but also a tremendous amount of coordination and cooperation among government statistical agencies. For my part, I believe the expense and the effort is well worth undertaking. I have often said that a dollar spent on the collection of economic statistics repays itself a hundred fold in a more productive and efficient economy. A national wealth inventory holds promise of making an especially significant contribution to that goal.

IT IS TIME TO STOP FREE WORLD SHIPPING TO NORTH VIETNAM

Mr. THOMPSON of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. GURNEY] may extend his remarks at this point in the Record and include extraneous matter.

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

There was no objection.

Mr. GURNEY. Mr. Speaker, I am introducing a bill to prohibit any vessel or shipping line which is doing business with North Vietnam from carrying U.S. cargoes. In light of the fact that a great deal of the supplies received by North Vietnam arrive by sea, it is shocking to me that some of these goods are still being shipped from countries in the free world, and in ships flying the flags of our staunchest allies. This is a matter of vital concern to all Americans.

The bill I propose amends the Merchant Marine Act by providing that no article shall be transported aboard vessels of any shipping interest which allows vessels under its control to be used in trade with North Vietnam.

Those shipping lines which engage in trade at American ports would either have to give up their trade with North Vietnam or their business with us. Great Britain, by far the worst offender, claims that it has no control over its private shipping lines except in wartime. This bill would take the problem out of the hands of the diplomats and the British Government and let us deal directly with the offending shippers.

We now have a similar cargo ban on ships trading with Cuba, and we are not at war with them. Why should we not operate such a blacklist against ships aiding a regime that is daily killing our American boys?

Recent statistics show that the problem is getting more acute, not better. The first 5 months of 1967 saw an increase in free world shipping to North Vietnam as compared to the last 5 months of 1966. The total number of arrivals for the first 5 months of 1967 was 28, substantially more than the 19 that arrived during the last 5 months of 1966. We cannot allow this to continue, while our boys are dying in the defense of freedom in Vietnam.

It seems strange to me that Great Britain should be the chief offender. The

United States has cooperated with Great Britain in her Rhodesia embargo, but has not received similar cooperation from Great Britain regarding shipping to North Vietnam. Of the 28 free world ships arriving in North Vietnam in the first 5 months of this year, 23 flew the British flag. Of the 74 free world ships that arrived in North Vietnam last year, 50 flew the British flag. While it may be hard for Great Britain to control her private shipping in peacetime, she found ways to do it in Rhodesia, and it seems logical that she could find ways to do it in North Vietnam.

We are told that the supplies transported by these free world ships are non-strategic materials, but there is strong evidence that in at least 3 months of this year strategic goods have been delivered by free world ships. Even if these shipments were not classified as "strategic," however, they release Communist ships for the transportation of more war goods. And how can this administration be so naive as to believe that there are any nonstrategic materials if they are in short supply in a nation that is waging war? Anything is strategic if the country needs it, and you can be sure they would not bother to import anything they did not need.

Another excuse we are given for inaction in this area is that these ships are under charter to Communist nations, and so not controlled by the country whose flag they fly. But what kind of an excuse is that? Surely the North Vietnamese war effort is helped greatly if they are allowed to hire free world ships.

It is inconceivable to me that we do not take the most effective steps possible to cut off this source of supply to North Vietnam. The enemy is certainly not granting our supply ships safe passage to Saigon. These waters have been mined, and American merchant seamen have been killed. Yet we balk at the prospect of using the economic weapons available to us to effectively stop free world trade with North Vietnam. How can we explain this to our boys who are fighting, and giving their lives, to defend the very principles of freedom upon which our Nation was founded?

I am also disturbed by the fact that so little information has been released to the American public concerning this problem. They have a right to know that North Vietnam is being supplied by our free world allies, and to know what we are doing to cut off this source of supply.

This administration has the economic weapons available to stop this flow—all its needs is the courage to use them. It is high time we show Ho Chi Minh that we mean business, and take a clear stand to prevent future free world shipping to North Vietnam. It is time for the present administration to take action to deny the enemy the flow of supplies from our friends and allies, rather than merely pay lip service to the proposition that we are backing our boys in action with all we have. As long as American soldiers are fighting and dying in Vietnam, no nation of the free world should be permitted to send supplies to their killers. As long as Americans are dying in battle

against the Communists, one free world ship calling in North Vietnam is one too many.

MINNESOTA EDITORS PROTEST DRASTIC RATE PROPOSALS

Mr. THOMPSON of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. NELSEN] may extend his remarks at this point in the Record and include extraneous matter.

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

There was no objection.

Mr. NELSEN. Mr. Speaker, the Postal Rates Subcommittee of the House Post Office and Civil Service Committee is presently considering numerous changes in second-class mail rates.

The proposals contained in H.R. 7977 and Committee Print No. 2 pertaining to these increases have caused overwhelming concern among the many newspaper publishers and editors in the Second Congressional District.

A great many of the newspapers in my district are so small, it is unlikely their publication could continue if all the sweeping mail cost increases are enacted. This would be a tragedy, not only for the press involved, but for the public. The grassroots press, independent and varied as it is, has always been a chief guardian and protector of our free institutions and the public interest. Our local newspapers provide news and public service information on a scale no other facility could possibly provide.

I have written the appropriate committee members of my deep concern over this matter. In an effort to further advise the House of the dangers to the grassroots press of the proposals under consideration, I include in today's Record numerous pieces of correspondence I have received from the editors back home. Many simply cannot live with the drastic increases proposed.

The material follows:

THE ROCK COUNTY STAR HERALD,
Luverne, Minn., July 17, 1967.

Congressman ANCHER NELSEN,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN ANCHER: This is a frantic call "Help, help!"

Executive sessions July 11 began something that may drive small newspapers out of business. There is a new proposal, just out, which could increase mailing costs anywhere from 22 per cent to 300 per cent . . . and all at once.

The House Postal Rate Subcommittee is considering a new proposal which would impose the 7-7-7 increase on Second Class as of January 1968, dropping the stretch out formula proposed by the administration in H.R. 7977.

It would also hike the in county minimum rate from the present one eighth cent to half a cent instead of the two tenths per cent proposed in H.R. 7977.

It would hike the in county pound rate from the present 1 1/4 cents pound rate for in county to 2.1 cents instead of the 1.5 cents proposed in H.R. 7977.

Our mailing costs are too high now for the service we are getting . . . and this proposed jolt is vicious in that it is the "small newspapers" are being singled out for the greatest rate increases.

I do hope and trust you will use your influence and will make your feelings known to Congressman Arnold Olsen and Congressman Thaddeus Dulski.

Cordially,

ALAN C. MCINTOSH.

MINNESOTA NEWSPAPER ASSOCIATION,
Minneapolis, Minn., July 4, 1967.
Congressman ANCHER NELSEN,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN NELSEN: At a time when Congress is set to study the falling newspaper bill on behalf of "falling newspapers," the House Subcommittee on Postal Rates is seriously studying a proposal by its chairman to increase postal rates to such an extent as to endanger the existence of a good many weekly newspapers.

The proposed increase, which I understand can be as much as 300% over present postal costs, is patently outrageous.

Many small communities are dependent on their struggling newspapers for a competitive voice in their trade areas, facing enormous competition and increasing production problems. Such an unprincipled raise in postage, on top of previous raises and the cost of Zip-coding in which newspapers do a good deal of the work for the POD, will only result in the death of many of these newspapers and the subsequent erosion of the communities they serve.

The sudden application of all of these increases at the same time, in fact, demands that much of the community press—the smallest newspapers, particularly—go out of business.

As the president of the Minnesota Newspaper Association, representing every legal newspaper in the State, I protest this drastic proposal and urge your most serious consideration of the effects of Chairman Arnold Olson's postal rate increase proposal, which will have such a great effect on smaller newspapers and their ability to serve the public. I urge your most concentrated attention to the meetings now in progress, and ask that you oppose this decided threat to America's small newspapers.

I would appreciate hearing what action you have taken.

Respectfully,

W. S. ADAMS, President.

ARLINGTON ENTERPRISE,
Arlington, Minn., July 14, 1967.

Congressman ANCHER NELSEN,
House of Representatives,
Washington, D.C.

DEAR ANCHER: There is a new proposal now before the House Postal Rate Subcommittee which would raise the postal rate for mailing our paper 300% all at once.

We would appreciate anything you could do to help us on this matter, Ancher, to help small newspapers stay in business.

Sincerely,

VAL KILL.

POST PUBLISHING CO.,
Blue Earth, Minn.

Congressman ANCHER NELSEN,
Washington, D.C.:

Re H.R. 7977. The quickest way I know of putting us out of business.

STAN BROTHERTON.

COTTONWOOD COUNTY CITIZEN,
July 11, 1967.

HON. ARNOLD OLSEN,
Chairman, Subcommittee on Postal Rates,
House Post Office and Civil Service Committee, Washington, D.C.

DEAR MR. OLSEN: In regard to the postal rate bill which you are now considering, we would like to add our protest.

The new rates, we understand, will increase our mailing costs anywhere from 22 to 300 percent—not in stages—but all at once.

This will come as a great hardship on our own paper, as well as many others which are battling for survival. It would come on the heels of a minimum wage hike which has increased costs considerably. Added to this are the spiraling costs all along the line which have already taken a big bite out of our normal profit picture.

We are sure that you are justified in raising our rates. We would, however, ask you to seriously consider doing it in stages and that possibly the hike wouldn't be as great as the one you now propose.

We realize that your committee has many complex problems in dealing with postal rates. But we respectfully request that you consider the problems that will be created for us if your present proposal is adopted.

Thanks for your consideration.

Sincerely yours,

KENNETH M. ANDERSON, *Publisher.*

HERALD PUBLISHING CO.,

Chaska, Minn., July 11, 1967.

HON. ANCHER NELSEN,
Washington, D.C.

CONGRESSMAN NELSEN: It appears that floods on the Minnesota River aren't our only concern. It has come to our attention that the House Postal Rate Subcommittee will consider a new proposal which would severely hurt financially the small weekly newspapers which I sincerely believe are the grassroot information vital to this country.

Although you are not a member of this committee, I feel confident that you are aware of the rising costs that are causing consolidation and often the dropping of newspapers in smaller communities which would feel the brunt of the posed threat of rates increasing from in-county minimum of the present one-eighth of one cent to a half cent. The Chaska Herald, with 2800 circulation, distributes almost 2,000 of these papers in the so-called in-county area.

Any assistance you can give to have the committee retain the H.R. 7977 proposal would be sincerely appreciated.

Sincerely,

RAY M. TSCHIMPERLE, *Editor.*

In addition, Mr. Speaker, my office has received phone calls from Allan Wilcox, publisher of the Waterville Advance, and L. D. Mills, copublisher of the Hutchinson Leader.

Mr. Wilcox pointed out enactment of the more severe proposal would increase second class mail costs around 300 percent, an intolerable increase. Tip Mills said the proposal, for a 5-day-a-week paper mailing 1,600 copies within the county, would raise the cost from \$520 to \$2,080. He estimated such an unwarranted increase would double the postage bill of the Leader within its home McLeod County.

OEO POLITICAL ACTIVITIES RELATED TO VIOLENCE IN NEWARK, N.J.

Mr. THOMPSON of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. GARDNER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. GARDNER. Mr. Speaker, for some time I have been deeply concerned over the political activities of OEO-funded community action programs throughout

the United States. I have pointed out the very dangerous precedent that is being established by allowing community action workers to become directly involved in the political affairs of a community.

In presenting the facts to Sargent Shriver, I have received no cooperation whatsoever, either from him or the Office of Economic Opportunity and, in fact, have been very disturbed by the obvious attempt by Mr. Shriver to whitewash all charges of political activity by OEO and its funded agencies.

Because of my concern over this dangerous situation, I have been determined that I will not allow Mr. Shriver to whitewash the political activities of OEO, and I now find that there is evidence that OEO-funded agencies, with the tacit approval of Sargent Shriver, are tied directly to the violence that has broken out in many of our cities. I am speaking specifically of the recent violence in Newark, N.J., that has shocked and saddened all Americans. I have, in my possession, a telegram sent to Sargent Shriver by Dominick A. Spina, police director of Newark, N.J., on May 25, 1967, almost 2 months prior to the riots in Newark. I will read Mr. Spina's telegram to Mr. Shriver:

NEWARK, N.J., May 25, 1967.

SARGENT SHRIVER,

Director, Office of Economic Opportunity:

I strongly protest the use of resources and manpower from the United Community Corporation, an agency of the Office of Economic Opportunity, for the purpose of fomenting and agitating against the organized and democratic government and agencies of the city of Newark. The United Community Corporation has rented from Hertz Rent a Car, vehicles to use to agitate against the planning board of the city of Newark and the board of education. Persons employed by the UCC have told us they have been threatened with the loss of their jobs if they do not participate in picketing and demonstrating against the agencies and the government of the city of Newark. I feel that this is directly opposed to the purpose of the antipoverty funds and that such practices be ordered to desist immediately. The acceleration of this kind of practice by this antipoverty agency will undoubtedly lead to riots and anarchy in our city. I request an immediate response.

DOMINICK A. SPINA,

Police Director.

I would also like to read the very casual reply sent to Mr. Spina concerning what he felt was a very dangerous and explosive situation:

JUNE 13, 1967.

Mr. DOMINICK A. SPINA,
Police Director,
Newark, N.J.

DEAR MR. SPINA: Thank you for your telegram of May 25th, indicating that you feel that there has been a misuse of resources by the United Community Corporation of Newark.

Our Office of Inspection has looked into the matter. Our information is that the United Community Corporation in Newark used the Hertz car on May 23rd to move chairs and equipment in the target area. They also used the car on May 24th to announce by sound equipment the change of date of a public hearing from May 24th to May 25th.

We have found no evidence that the car was used as a platform for agitation, as you suggest, or that the United Community Corporation has misused its resources. However, if you have any other specific information

pertaining to this incident, please bring it to our attention.

Sincerely,

SARGENT SHRIVER,
Director.

This is the same type whitewash and irresponsible approach that Mr. Shriver has taken to all inquiries concerning political involvement of OEO agencies.

Last night in my home State of North Carolina, in Durham, a city which has been plagued by political activity by employees of Operation Breakthrough, an OEO program, a group of more than 150 people, inspired by Operation Breakthrough employees, which is the local community action agency, and the North Carolina fund, threatened and intimidated members of the Durham City Council during their monthly meeting. This group was led by a former employee of Operation Breakthrough, who is now employed by the Breakthrough-approved programs of United Organizations for Community Improvement.

During the 90-minute parade of speakers, the members of the city council were told that unless certain demands were immediately met, Durham would become another "Watts, Newark, or Vietnam."

The situation that I have described in Newark, and in Durham, N.C., is going on in numerous cities throughout the United States. It is a dangerous and deplorable situation indeed when the Congress of the United States funds a program to help the poor people throughout the Nation, and finds that under the inept leadership of Sargent Shriver, employees of these programs are deeply involved in inflammatory political activity.

NECESSITY OF REVIEW OF NATION'S ENTIRE DIPLOMATIC AND ECONOMIC POLICY IN RELATION TO SOVIET UNION

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

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

There was no objection.

Mr. BROYHILL of Virginia. Mr. Speaker, Congress has an opportunity to consider and weigh the necessity of a thoroughgoing review of this Nation's entire diplomatic and economic policy in relation to the Soviet Union.

Certainly no more appropriate time will present itself than this week which has been set aside by the Congress each year since 1950 as Captive Nations Week.

An organization known as the National Captive Nations Committee is sending to Congress a document challenging this body to undertake such an examination of our relations with the Soviet Government and the relations of that government to the nations under Soviet domination as well as the more than 1 billion captive humans subjected to Soviet control.

I hope this Congress will give mature consideration to this request. It stems from the intense and determined ef-

forts of a large number of fine American citizens, many of foreign birth, who seek justice for their people behind the Iron Curtain as well as reality in this Nation's relations with the Russian Government.

To this end the National Captive Nations Committee is observing Captive Nations week from July 16 through July 22 by asking that all Members of Congress study the issues and participate in the observance wherever possible.

The observance of Captive Nations Week is particularly timely at this moment. The Middle East crisis, as you are aware, Mr. Speaker, again opened the gates for a Soviet propaganda barrage, directed at the United Nations as well as the American people, protesting the so-called takeover of the Middle East by Israel military forces.

A 50-man Soviet delegation, led by the Soviet Premier, descended on the United Nations and the American Government, demanding that the free people of the world come to the rescue of the Arab Republic. Little attention was paid to the Israel claim that it undertook military action to prevent its own annihilation, nor was a single official American voice either at the United Nations or the State Department raised over the blatant propaganda emanating from the Soviet delegation along with the crocodile tears about the oppressed Arabs, who number in the thousands compared to the hundreds of thousands under oppression and domination by the Kremlin.

I believe that it is proper at this time to remind the Congress and the American people, along with the White House, State Department and U.N. delegates, about the sincerity of these voices of protest from the Kremlin.

Almost a billion people and dozens of nations were stomped into oblivion by Soviet military occupation forces during and following World War II. These people have been kept in virtual slavery ever since by Communist commissars who now ask the world to take seriously their horrified protests over Israeli acts in the Middle East. If the U.N. and the administration buy this drive they are unfit to represent free people and will serve as world apologists for every black deed of Soviet guilt in modern history.

We can and do sympathize with the people of the Arab nations who suffered from the recent conflict, but the crybaby political and international grief coming from the Communists is something else again. If they want to use the U.N. wailing wall over the fate of the displaced Arabs, then I think we ought to make it available to them for equal expression of concern and sorrow for all the people of the world they have been holding in bondage for more than 20 years. I am sure the Israel Government will be willing to participate in a full discussion of all facets of international problems concerning captive peoples and nations.

This could be a ripe opportunity for every country to return all the land and all the people to freedom. I think we should encourage Soviet interest in this subject, and insist on a little reciprocity now that we have the subject of con-

quered people out in the open for the first time since the sellout two decades ago.

Certainly I am honored to raise my voice in protesting the continued subjugation of free people anywhere by whatever means used to capture and hold them in bondage.

But I see no need, Mr. Speaker, no realism, no justice, in permitting unlimited protests against the actions of one small nation, accused of waging a war to protect its interests, and letting lie fallow the larger question of captive people everywhere. To do so, to tolerate such views or actions by this Government or any international body involved, is an omission of faith and a dereliction of duty on the part of those who still remain free.

I urge this Congress to give full consideration to the National Captive Nations Committee request for a full-scale review of the U.S.S.R.'s continued domination of the unwilling billion who now bear the yoke of Kremlin dictatorship.

I urge that we raise our voices in demanding such an examination of the facts of Soviet conquest, especially now that the Russian leaders have seen fit to raise the issue in connection with the Israel-Arab conflict.

It will be but simple justice to do so, Mr. Speaker.

CAPTIVE NATIONS WEEK

Mr. THOMPSON of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. BURKE] may extend his remarks at this point in the Record and include extraneous matter.

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

There was no objection.

Mr. BURKE of Florida. Mr. Speaker, this week, July 16-22, we in Congress join all Americans in the ninth annual observance of Captive Nations Week. This is a time for us, living in a free society, to especially remember the plight of the millions of people living under Communist domination. The Communist governments of these captive nations do not respect the principles of individual freedom and constitutionally guaranteed rights. The citizens of these nations have not passively accepted the repression of their liberty. We can see evidence of their striving for freedom in all the Eastern European countries and even within the Soviet Union itself.

Their efforts have not been totally in vain. There has been liberalization in some aspects of life in almost every nation. More attention is being paid to the immediate needs of the people for more consumer goods. In an effort to avoid the waste of a central planning there have been some attempts to rationalize the economy by introducing a modified supply and demand pricing system.

There have been efforts to give the workers incentive by rewarding effort and ability through increased pay and benefits. Yet even these so-called liberal policies do not provide the individual with the liberty that we believe is each man's birthright. The captive peoples are not free to express themselves. Expres-

sion of thought must be restricted to the party line. Many sources of information that do not reflect this line are repressed. Nor can the citizens of these nations freely express what they do think, write as they wish, or choose those who will govern them.

Through our observance of Captive Nations Week we want to express to these people our deep sympathy and our promise of aid in their constructive attempts to win their eventual freedom.

BACK-DOOR METHOD OF GIVING AID TO MOSLEM NATIONS

Mr. THOMPSON of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. BURKE] may extend his remarks at this point in the Record and include extraneous matter.

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

There was no objection.

Mr. BURKE of Florida. Mr. Speaker, I have learned that a back-door method is being attempted to evade the sense of the Congress on the issue of giving aid to Moslem nations that have collaborated with the Soviet Union and used their own resources to buy Russian arms, expelled Americans, burned U.S. consulates, and severed diplomatic relations with the United States.

I understand that despite the clearly defined expressions of the Congress, the Department of Agriculture has just invited bids for the export of grain to Sudan, the Moslem neighbor of Egypt, which like Egypt arbitrarily denounced the United States and severed diplomatic ties. This is one case in point. But what assurances are there that the grain would remain in Sudan and not be shipped to Egypt where it could feed the sailors of the Soviet naval squadron, now based in Port Said and Alexandria, and otherwise be used by Nasser?

The deal with the Sudanese is being made through Somaliland, another African nation, because the Sudanese refuse to deal directly with the United States. Yet we insist on pressing this aid upon them. Somaliland is acting as the front for Sudan, with the knowledge and consent of the State Department.

Repayment of the \$20 million credit grant, financed by the American taxpayers, is "guaranteed" by the Central Bank of Sudan—a worthless guarantee. The bank is not a viable institution.

I am requesting the executive department to make a full report to the Congress.

EXPENDITURE CONTROL AND TAX PREFERENCE

Mr. THOMPSON of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BATES] may extend his remarks at this point in the Record and include extraneous matter.

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

There was no objection.

Mr. BATES. Mr. Speaker, according to recent newspaper reports, this Congress will soon be asked to approve legislation increasing Federal income taxes by a surcharge of as much as 8 percent. The reason is the rate at which the possible deficit for fiscal year 1968 is rising. As explained by the distinguished chairman of the Committee on Ways and Means in his much-quoted Rochester speech, titled "Expenditure Control and Tax Policy," the Federal deficit could be \$29.2 billion by the end of fiscal 1968.

Mr. Speaker, during the July recess, the most clear and persistent message I received from the people of the Sixth District of Massachusetts, which I am privileged to represent, is opposition to any increase in taxes—unless this Congress remains true to its promise to halt spending on Federal projects which are not really necessary.

Like the honorable chairman of the Committee on Ways and Means, "I have not joined the so-called 'doctrinaire' group which simply indicts Government spending in general." I, too, demand "a bill of particulars."

The Federal project most frequently cited to me as lacking justification is the proposed Dickey-Lincoln hydroelectric power project on the Canadian border, which the Federal agencies want to build in order to serve the electric needs of so-called preference customers in New England.

The reason Dickey-Lincoln has become the focal point of resentment among my constituents is not simply that it is unnecessary. The reason also is that my constituents would be taxed to pay its enormous cost in order that its so-called preference customers could obtain their electricity free of all tax charges. According to the statistical enticements of the Interior Department, which would market its output, their tax saving would amount to \$5.2 million a year.

According to Interior's tabulation, in all New England there are some 330,000 preference customers, comprising 8 percent of all customers served there. The other 92 percent, or over 3.5 million customers, are served by private industry. According to the State and Federal agencies that regulate their rates, total taxes these customers of private industry pay as part of their electric bill amount to about \$200 million a year. Nearly one-fourth of every electric bill they pay goes for taxes.

My own research shows that, according to a recent study of this project by the House Appropriations Committee staff, Dickey-Lincoln would be constructed solely for power purposes; assuming escalation of its construction cost at only 5 percent per annum, it would cost far in excess of one-third of a billion dollars; the rate at which its power must be sold to recover this enormous outlay would exceed the cost of power from other new, non-Federal powerplants in New England, and would be greater than the average price for power now paid by preference customers throughout New England.

Apart from fiscal and budgetary considerations, it is hard for me to imagine a

less justified, less needed Federal project. It is harder still for the citizens of my district to understand why they should be taxed to pay for this costly power project in order to provide tax-free power to others. To my constituents—and I suspect to 92 percent of the other citizens of New England—it symbolizes nothing more than a form of special tax relief.

As the Membership of this body knows, less than 2 years ago, when the Dickey-Lincoln authorization was before this chamber, it was categorically rejected by both voice and record vote. Unfortunately, by one of the worst legislative flimflams to which it has ever been subjected, this House was outmaneuvered in its opposition to it at that time. To date, Congress has appropriated a total of \$1.9 million to finance the preconstruction planning of this project. We are now asked to appropriate an additional \$1.7 million for this purpose, in order that construction of this demonstrably inefficient, demonstrably unnecessary project may commence during calendar year 1968.

Mr. Speaker, the total cost of this project undoubtedly will exceed the \$380 million figure derived by the House Appropriations Committee staff. The increase of more than \$75 million, or 25 percent, in the Federal agencies' statement of Dickey-Lincoln's cost at the time of authorization is not surprising: According to a recent Corps of Engineers' survey, the total cost of nine Federal power dams completed between 1961 and 1966 exceeded their cost when recommended for authorization by 90 percent—"Civil Works Program of the Corps of Engineers," Senate Public Works Committee print, at 123, 1966.

In his Rochester address from which I have quoted, the honorable Committee Chairman WILBUR MILLS emphasized that: "every new program should be viewed not in terms of its first-year cost alone, but in terms of what its cost will be"; that failing this, "the area for possible controllable reductions by the Appropriations Committees" becomes smaller, the outlook for tax reduction, dimmer.

Mr. Speaker, I do not know what course the House Appropriations Committee will take with regard to the proposed Dickey-Lincoln power project, or what course the House Ways and Means Committee will take with regard to the proposed Federal income tax increase. To me, to the taxpayers of my district, and I suspect to 92 percent of the other citizens of New England, it represents nothing more than a form of tax preference.

EXPLANATION OF VOTE

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

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

There was no objection.

Mr. CLEVELAND. Mr. Speaker, as I stated in the RECORD last Thursday—July 13, 1967, page 18684—I am here giving an explanation of how I would have voted on the record votes I missed during the necessary absences I then explained.

On Thursday, H.R. 10595, to prohibit the use of financial institutions as lottery agencies, was considered and passed. Because the bill was amended to give the New York Legislature time to comply with its provisions, I would have voted "nay" on the motion to recommit, roll No. 167, and "yea" on final passage—roll No. 168.

I would have voted "nay" on the emergency strike legislation for railways that was passed last night. My vote would have been based on substantially the same reasons I cited when the vote came up for the recent 30-day extension of the injunction against the strike, and again when this present bill first came to the floor of the House. My views on this present bill were given on June 15, 1967, and appear on page 15934 of the RECORD.

FAVORABLE COMMENTS ON VIETNAM PROPOSAL

Mr. THOMPSON of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MORSE] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. MORSE of Massachusetts. Mr. Speaker, last Thursday I inserted in the RECORD several editorials commenting on the proposal put forward a week ago today by eight Republican Members of the House for a staged deescalation of the war in Vietnam. Since that time, my colleagues and I have been made aware of additional favorable comments in some of the Nation's leading newspapers.

I include at this point in the RECORD editorials from the Chicago Daily News, the St. Louis Post-Dispatch, the Cleveland Plain Dealer, the Easton, Pa., Express, and the Adrian, Mich., Daily Telegram.

[From the Chicago Daily News, July 13, 1967]
DEFINING "LIMITED WAR"

While Defense Sec. McNamara is saying little publicly about the results of his latest trip to Vietnam, the indications are that he plans to keep a fairly tight lid on manpower increases.

We hope he does. For two plain facts must be faced regarding the escalation so far. One is that it has failed to bring the desired result of negotiations toward a settlement. The other is that the investment to date has upset the whole balance of U.S. domestic and foreign commitments, diluting and weakening our efforts in places where they should have been sharp and strong.

The imbalance might be tolerable if the war in Southeast Asia were a traditional-type war where one simply pressed on full force toward final, "total" victory.

But McNamara evidently perceives, as did Rep. F. Bradford Morse (R-Mass.) and a group of Republican colleagues in a report Monday, that a limited war has its own set

of imperatives, most of which have thus far been ignored.

The first imperative listed by the Republican congressman is that the diplomacy accompanying the Vietnam war "must not risk expansion to total war," for the obvious reason that total war would produce mutual destruction on a scale to obliterate the objectives sought in the limited war.

The pressure now being applied by nearly 500,000 American troops and the combined, intensive efforts of the Navy and Air Force would have been ample to smother the Communist force that was faced a year or two ago. But the Communist effort has risen to match the U.S. escalation. And the Communists are piped into sources of supply that can presumably match any U.S. effort right up to the brink of total nuclear war.

If this is McNamara's conviction, he can be expected to give increasing attention to the other imperatives of limited war. These are: (1) that an atmosphere of mutual confidence must be fostered, (2) that each side must be permitted to preserve "face" and claim the initiative, and (3) that the effort must "be susceptible to presentation, verification and implementation through the private channels of diplomacy."

The Republican congressmen made clear in their report that there could be no significant relaxation of military pressure that would alter the balance in the enemy's favor, and they specifically warned against a complete halt in bombing as involving "great military risk."

They did feel that a phased, reciprocal de-escalation was within the realm of the possible. If McNamara shares that view, there could be a significant new effort to break out of the vise.

[From the St. Louis Post-Dispatch, July 11, 1967]

STAGED DEESCALATION

Eight Republican Congressmen led by Rep. F. Bradford Morse of Massachusetts are to be congratulated for trying to break out of the pattern of official thinking on the Vietnam war. Hoping to "reopen the domestic dialogue" on U.S. policy, as well as to offer an alternative to it, they call for American initiative in behalf of "staged de-escalation."

By this plan, bombing would be halted north of the 21st parallel for 60 days. If Hanoi responded with "an equivalent de-escalatory step," bombing would be halted above the 20th parallel, and so on, until mutual confidence had been established for negotiations.

The difficulty is in finding "equivalent de-escalatory steps" with which Hanoi might be reasonably expected to respond. Since Hanoi is not engaged in saturation bombing of the South, there is no exact equivalent at hand. Rep. Morse suggests, as one possibility, that Hanoi might agree to cease shipments to specified supply depots in the South.

No suspension of American shipments to our own supply depots, however, would take place. Thus we would be asking Hanoi to abandon its allies, the Viet Cong, while we continued to support ours and to build up our own military power. This would amount to asking Hanoi to throw in the sponge in easy installments—something Hanoi is not likely to do, and something we have not earned the right to demand.

Rep. Morse and his colleagues rightly criticize the Administration for demanding surrender in a limited war, which they indicate can be ended only by negotiations and a compromise settlement. The Administration, however, has given no clear sign that it wants a compromise settlement; it wants a victory in which the Communists are excluded from any share in South Vietnam's political future. We have not been able to win that kind of victory by arms and are not likely to win it by negotiations.

If it were American policy to acknowledge the existence of the Communists, and their control of large portions of the country, and their claim to participate in any settlement, then negotiations might not be too hard to arrange. In that case, a simple cessation of bombing would undoubtedly open the door to peace talks, and an elaborate "staged de-escalation" would not be necessary.

[From the Cleveland Plain Dealer, July 11, 1967]

GOP'S VIET PROPOSAL HAS MERIT

Within the administration facing another escalation decision in the matter of additional troops for the Vietnam war, the proposals by eight Republican congressmen take on added importance as a thoughtful and significant alternative.

The "staged de-escalation" suggested by the House members is designed to answer the major objection to a bombing halt as providing no more than a respite for North Vietnam during which it reinforced its lines and resupplied its field units.

The Republican proposal would halt all bombing north of the 21st parallel for 60 days while waiting for the enemy to respond with a similar de-escalating move. If no such response was forthcoming, the bombing would be resumed.

But if the North did indicate cooperation, the United States would then halt all bombing north of the 20th parallel for 60 days.

The series of small steps would have as its objective the halting of all bombing and of all North Vietnamese infiltration of the South.

The spirit of confidence that might emerge could provide opportunity for opening negotiation without loss of face by either side, the sponsors believe.

As have many other de-escalation proposals, the Republican plan depends almost entirely on Hanoi's reaction but the staging factor provides a new approach and a method which could be tested as a signal without giving any buildup advantage to the enemy.

The Republican document has other points of merit in its emphasis on the limited nature of the Vietnam war, a limitation which makes the diplomacy differ sharply from that of total war.

It stresses the necessity to give each side the opportunity to claim initiative, to escape losing face and to operate through private channels.

Without rancor or criticism, it reopens the domestic dialogue on American policy in Vietnam with a sophisticated examination of a complicated situation and a proposal for testing a way out with a minimum military risk.

[From the Easton (Pa.) Express, July 11, 1967]

A WAY OUT?

Eight Republican congressmen, none of whom can be counted among the ardent "doves" aligned against the administration's Vietnam policy, have come up with a plan for a unilateral diplomatic U.S. initiative for "de-escalating" the war.

It seems like a quietly sensible proposal. As explained by Rep. F. Bradford Morse of Massachusetts, it would call for halting U.S. bombing of North Vietnam in five successive 60-day stages starting with the 21st parallel. Each step would be conditioned on a de-escalatory response by the North Vietnamese.

Assuming a full response by both sides, both the U.S. bombing and North Vietnamese infiltration of South Vietnam ultimately would come to an end, according to the GOP congressman's plan. The idea is not new. It had been suggested before to President Johnson as a compromise between those who want the war effort increased and those who want

the U.S. to pull out unconditionally. The administration did not respond.

Many Americans deeply concerned with the directions taken by the most unpopular war in the nation's history, nevertheless will find a substantial measure of accord in the congressional group's evaluation of the administration's war policy as "unyielding and unflexible—rigidly insisting that the first concrete step toward de-escalation be taken by the North Vietnamese."

"Is is a position," said Rep. Morse, spokesman for the group, "which comes dangerously close to changing the atmosphere of restraint to an atmosphere of power—and a limited war cannot stay limited or be ended in an atmosphere of power."

This, of course, is the core issue which has made U.S. involvement in Vietnam extremely unpopular both at home and abroad. The war is, undisputedly, an American war, pitting the mightiest nation in the world directly against a small, technologically primitive state. The involvement weakens our global position of moral and legal leadership—and it is this to which French President Charles de Gaulle alluded in saying that U.S. action in Vietnam was part of the encouragement for trouble in the Middle East.

There is no guarantee that Hanoi, with continued material support from Red China and the Soviet, would respond to in kind to a de-escalatory process as modest in its dimensions as that proposed by the GOP congressmen. But it seems that the U.S. would lose little tactically by making the overture, inasmuch as the bombing has never accomplished any of its stated objectives.

[From the Adrian (Mich.) Daily Telegram, July 12, 1967]

WOULD DEESCALATE WAR

A group of eight Republicans in the House of Representatives, including Rep. Marvin Esch of the second Michigan district, has advanced proposals for a step-by-step de-escalation of the Vietnam war. They suggest the United States take the first step. Assuming North Vietnam responded with a similar move of its own, a second U.S. step would follow. And assuming that both sides kept responding in turn, the Congressmen hope a "spirit of confidence would emerge" which would lead to peace negotiations.

The proposed pressure-easing steps would in the first instance consist, on the part of the United States, in foregoing the bombing of the most northerly of North Vietnam areas. First, the United States would halt bombing in North Vietnam north of the 21st parallel for 60 days. This area includes Hanoi but not the port city of Haiphong. If North Vietnam responded with a de-escalation process of its own, the United States would then halt bombing north of the 20th parallel for 60 days, and so on through five steps down to the border with South Vietnam.

If no easing of military pressures came on the part of North Vietnam, then U.S. bombing of the whole area would be resumed.

The suggested steps by which North Vietnam could respond to the letup in U.S. bombing would be: halting shipments to and from military supply depots in southern North Vietnam; stop using supply routes in North Vietnam and Laos along the Ho Chi Minh trail; withdraw all MIG fighters to distant bases in northern North Vietnam; stop terrorist bombing in specified parts of South Vietnam; release U.S. prisoners of war.

Hanoi has been insisting, among other things, that cessation of bombing of North Vietnam must precede any idea of going to the conference table. The United States has laid off bombing at various times but there has been no response from Hanoi. The Republican group says a sudden and complete halt to the bombing "would be unlikely to achieve the desired result" because Hanoi

would be apt to think it a ruse or a sign of desperation. Bombing would have to be stopped long enough that North Vietnam became convinced of the genuine sincerity of the United States. But this would involve a great military risk to the United States. So, the Republicans argue that staged let-ups in bombing tied in with equivalent North Vietnamese steps should be used and that these would bring an atmosphere of mutual confidence. If successful it would end U.S. bombing in the North and end North Vietnamese infiltration into the South. And such a spirit of confidence "could provide a real opportunity of fruitful and honorable negotiations."

The proposal adds that the de-escalation idea and its ramifications would have to be explained to the North Vietnamese through private channels of diplomacy and that it would have to be susceptible to verification.

It is a highly optimistic plan. It is a compromise between the ideas of the hawks and the doves. It is a new effort to convince the North Vietnamese and their allies that the United States wants nothing out of the war except assurances that South Vietnam be left free and able to run its own government of its own choosing. It offers a face-saving procedure for both sides. It permits both to climb down the escalation ladder, for each side would be able to claim it was concessions by the other which led to taking the successive steps letting off the military pressure and beginning the negotiations for peace.

But keep this in mind: for the plan ever to be tried it would need to have not only the acceptance of Hanoi but also of the administration in Washington. And even trying the plan requires changes in attitudes in both governments.

PERMISSION FOR THE SUBCOMMITTEE ON BANK SUPERVISION AND INSURANCE OF THE COMMITTEE ON BANKING AND CURRENCY TO SIT DURING GENERAL DEBATE ON JULY 19

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the Subcommittee on Bank Supervision and Insurance of the Committee on Banking and Currency may be permitted to sit during general debate on July 19, that is, tomorrow.

Mr. GROSS. Mr. Speaker, reserving the right to object, that request is for July 19?

Mr. CHARLES H. WILSON. That is tomorrow.

Mr. GROSS. Mr. Speaker, does this have the approval of the minority?

Mr. CHARLES H. WILSON. Yes. We checked with Mr. WIDNALL, the ranking minority member on the full committee, and with Mr. BROCK, the ranking minority member on the subcommittee.

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

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

There was no objection.

PARLIAMENTARY INQUIRY CONCERNING VOTE ON H.R. 11456, BILL MAKING APPROPRIATIONS FOR THE DEPARTMENT OF TRANSPORTATION

Mr. SCOTT. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. SCOTT. Mr. Speaker, I was here when the vote was taken on the final passage of the bill appropriating funds for the Department of Transportation, and I intended to vote "yea" on that bill.

Frankly, Mr. Speaker, I am not sure I voted. My vote is not recorded.

Can I at this time, having been present on the floor, cast my vote in the affirmative?

The SPEAKER pro tempore (Mr. ALBERT). The Chair will advise the gentleman he cannot do that, since the result on the vote has already been announced.

Mr. SCOTT. I thank the Chair.

THE AMERICAN FARM BUREAU FEDERATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. RESNICK] is recognized for 1 hour.

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

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

There was no objection.

GENERAL LEAVE

Mr. RESNICK. Mr. Speaker, I also ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the subject of my special order.

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

There was no objection.

Mr. RESNICK. Mr. Speaker, the House Committee on Agriculture last Wednesday, July 12, adopted a resolution disassociating itself from charges I have made against the American Farm Bureau Federation.

It should be stated at the outset that this unnecessary action was clearly planned as a punitive measure for the purpose of embarrassing me personally and nullifying the effect of my attacks against the Farm Bureau. I say unnecessary because long before the committee moved to disassociate itself from my charges, I had already done so. As a matter of fact, on the morning of Thursday, June 29, at the meeting of the Subcommittee on Rural Development, I made the following statement:

I would also like to state for the Record that any statements I make or any requests I make, I make on the basis of an individual Congressman. They do not reflect in any way the feelings of the Subcommittee. As Chairman of this Subcommittee, I am speaking as an individual Congressman.

This statement appears in the official transcript of the hearings.

The committee resolution is like a boss firing his employee 2 weeks after he has already quit. As a matter of fact, in its statement on July 12, the subcommittee acknowledged that this was the case saying, "the chairman has already

stated in the record that this attack is his and his alone," emphasizing the purely vindictive nature of the subcommittee's action.

This step by both the subcommittee and the full committee is, I believe, without precedent in the entire history of Congress, and it raises the very serious question of whether Congress is to be guided by the independent judgment and conscience of its Members or whether it is to be told what it can and cannot do by powerful outside interests.

On June 21, in response to its request that it be permitted to appear before the Subcommittee on Rural Development, which was conducting hearings on the effects of Federal programs on rural America, the American Farm Bureau Federation appeared to make a statement. The organization was represented by its legislative director, Mr. John C. Lynn. Time ran out before the committee completed its questioning of Mr. Lynn and he was invited to return the following Wednesday. On June 28, Mr. Roger Fleming, secretary-treasurer of the Farm Bureau and director of its Washington office, appeared in behalf of the Farm Bureau. As a result of facts uncovered about the Farm Bureau operations during the intervening week, which included information strongly indicating that the American Farm Bureau Federation had a substantial nonfarm membership and that it conducted widespread financial and commercial activities unrelated to farmers, I questioned Mr. Fleming's right to appear before the committee as a representative of the interest of farmers.

The interview with Mr. Fleming became quite heated. I accused the Farm Bureau of using the American farmer to build one of the largest insurance and financial empires in the United States while masquerading as an organization devoted to the farmers' interest, I said:

My investigation has revealed the shocking fact that the American Farm Bureau Federation is a gigantic interlocking, nationwide combine of insurance companies with total assets of over \$1 billion dollars. I have evidence that the granting of membership in the Farm Bureau is purely and simply a device for selling insurance and other services.

Once again, the clock ran out before the colloquy with Mr. Fleming was completed, and before he felt he had had a full opportunity to explain the Farm Bureau position. Later in the day, over the telephone, I invited him to return to the subcommittee the following week, on July 13. He did not return.

The Committee on Agriculture's resolution was actually masterminded and engineered by the American Farm Bureau Federation. Here is the evidence. On Friday, July 7, Roger Fleming, Secretary-Treasurer of the Farm Bureau, and its second highest official, sent a letter to the distinguished chairman of the Committee on Agriculture with a copy to every committee member. We all received this letter on Monday, July 10. In this letter, Mr. Fleming specified the terms and conditions under which he would again appear before my subcommittee to continue his testimony. This action in it-

self is an unprecedented display of arrogance. I know of no other organization that has ever dictated to a congressional committee the terms under which it would appear and testify. And I have never heard of any congressional committee that would ever consider such a highhanded demand.

However the true significance of the July 7 letter is that it is really a blueprint for Agriculture Committee action to silence me and prevent me from making further revelations about the Farm Bureau. The full text of this letter is included at the end of this statement. In it, Mr. Fleming demands that the committee, and I am quoting verbatim, "clear the record by adopting a resolution in which it disassociates itself from the attacks on Farm Bureau made by Subcommittee Chairman RESNICK and by making known to the public at an early date its disposition."

Within 24 hours after receiving this letter, the five members of my subcommittee, four of whom are also members of the Farm Bureau, issued a statement attacking my criticisms of the Farm Bureau. Indeed, some of the very language of their statement is identical to the language of the Farm Bureau letter. Let me illustrate this fact.

The Farm Bureau's letter urges that the committee "adopt a resolution in which it disassociate itself" from my attacks on Farm Bureau. The subcommittee's statement says:

We sincerely feel that the membership of the House as well as the general public should fully and clearly understand our position in *hereby disassociating ourselves* from charges against the American Farm Bureau Federation.

Mr. Fleming's letter also charges that I am carrying out a "personal vendetta" against the Farm Bureau. Once again the members of my subcommittee picked up their cue by stating:

We further recommend that the full Committee on Agriculture likewise disassociate itself—

There's that phrase again—
from these strictly *personal activities* of the Subcommittee Chairman.

This was the first time that the concept of a personal attack was ever mentioned. And all of a sudden there it was in the proposed resolution:

The Committee on Agriculture does in no manner endorse, condone, or support the personal attack launched by the Chairman of the Subcommittee on Rural Development upon the American Farm Bureau Federation.

Within 48 hours after receiving this arrogant letter from the Farm Bureau, the full committee had done its bidding—behind closed doors in executive session, and without prior public announcement. It all happened so quickly that the Members of the House did not know what was happening, despite the fact that this action was unprecedented in the history of Congress and carried grave implications for every single Member. If any further evidence were needed of his hand in this affair, Roger Fleming immediately thereafter issued a press release in which he crowed:

This judgment by his Congressional colleagues should make it crystal clear that Congressman Resnick's charges against the Farm Bureau Federation are reckless, unwarranted, and unfounded.

In other words, Mr. Fleming announced that the Farm Bureau was exonerated by the committee's action.

While any reading of the committee resolution would make it obvious that Mr. Fleming's statement did not contain a single grain of truth, and was in no way related to the specific and documented charges I have made against the Farm Bureau, not one single member of the committee has risen to criticize him for it. Fleming's statement, however, does make it clear that he demanded the resolution so that he could have the Farm Bureau whitewashed by a committee of Congress.

The obvious question now arises, why did Farm Bureau—this sacred cow—hit the panic button? Why did they react so violently against me? What caused this unusual act of massive retaliation against a Congressman who did nothing more than bring their activities to the public forum for questioning?

Their reaction, and the reaction of the Committee on Agriculture is all the more remarkable when we recognize that I am being attacked—not for telling lies about the Farm Bureau—but for revealing the truth. The plain fact is that this powerful organization has at no time denied or contradicted any of the revelations I have made about its operations. But before my subcommittee, they were evasive, tightlipped, and downright untruthful.

For example, in testimony before my subcommittee on June 21, Mr. Lynn flatly stated that "The American Farm Bureau has absolutely no insurance operation at all, except a reinsurance agency." I would like to point out that the so-called reinsurance agency referred to is the tax-exempt American Agricultural Mutual Insurance Co. which has the very same set of officers and directors as the American Farm Bureau Federation. In addition to its \$20,000,000 in assets, American Agricultural owns 85.7 percent of Oregon Farm Bureau Insurance Co., a profitmaking stock insurance company, plus \$200,000 worth of stock in another Farm Bureau insurance company, Cal-Farm, Inc., of Berkeley, Calif. These two companies alone have combined assets of over \$15 million. And—the one thing that all AFBF officers and directors have in common is that they are selected from the board of directors of 52 Farm Bureau insurance companies in different States.

Now let me briefly outline the charges I have made against the Farm Bureau. I have said—

First, it is not the organization of farmers it claims to be. A substantial portion of its membership—possibly half—has no agricultural interest whatsoever.

Second, it has misrepresented itself to the Internal Revenue Service in order to obtain a tax exemption, and to the clerks of both Houses of Congress.

Third, it has used the American farmer to build one of the largest insurance

and financial empires in the United States, whose insurance assets alone total over \$1 billion dollars.

Fourth, that the directors and officers of the American Farm Bureau Federation are also directors and officers of insurance companies directly controlled and owned by the various State Farm Bureaus.

Fifth, that as a result of these interlocking directorates the Farm Bureau may be in violation of antitrust laws.

Sixth, it has taken advantage of its tax-exempt status in order to expand its business activities which cover the fields of insurance, real estate, shopping centers, fertilizer, mutual funds, gas stations, oil wells, grain storage, petroleum refineries, and a considerable variety of others. A press account of the very recent purchase by the Alabama Farm Bureau of one of the Nation's largest shopping centers, for \$10 million, is attached.

Seventh, that because of its widespread commercial interests the Farm Bureau has misrepresented its true nature in its dealings with farmers and in its statements to congressional committees.

Eighth, that the Farm Bureau as a tax-exempt organization has improperly been competing in commercial activities with private taxpaying business concerns, thus enjoying unfair competitive advantages.

Ninth, that the Farm Bureau has torpedooed the American farmer by posing as an organization representing his interests when, in fact, their widespread commercial activities—which include the operation of businesses which sell to the farmer and buy from the farmer—has put them in a position of representing a point of view which is antagonistic to the interests of the farmer.

Tenth, that Farm Bureau commercial activities have generated funds which have found their way, illegally, into political and lobbying activities.

I am inserting into the RECORD at the conclusion of these remarks several news statements I have issued covering these accusations. An excellent and informative article by Bob Walters, of the Washington Star, is also included.

Most revealing is a newspaper article, written by Mr. Nick Kotz, of Cowles Publications, Inc., which was published on Sunday, July 9, in the Minneapolis Tribune and the Des Moines Register. This article includes an interview Mr. Kotz had with Roger Fleming, in which Mr. Fleming actually confirms the charges I have made about the various business activities which his organization conducts, and in which he also admits that at least 25 percent of the Farm Bureau's membership does not consist of people with an agricultural interest. I would like to insert Mr. Kotz' article at this point.

[From the Des Moines (Iowa) Register, July 9, 1967]

FARM BUREAU FACES PROBE OF TAX STATUS—
CONGRESSMAN CALLS IT INSURANCE EMPIRE
(By Nick Kotz)

WASHINGTON, D.C.—Is the American Farm Bureau Federation the nation's largest organization representing farmers or is its principal activity the operation of a billion dollar insurance-business empire?

Representative Joseph Resnick (Dem., N.Y.) has loudly raised this question and demanded a federal investigation of the Farm Bureau's tax-exempt status and its qualifications as a farm lobby before the Congress.

In requesting an investigation of both the national and various state Farm Bureaus' entitlement to tax exemptions, Resnick wrote Internal Revenue:

"The Farm Bureau, far from being the organization of farmers and farm interests it claims to be, is actually a gigantic, interlocking nationwide combine of insurance companies and other businesses.

"Its insurance companies have assets totaling over \$1 billion. Its life insurance companies alone have over \$6 billion in force."

CHALLENGE

Resnick, a liberal Democrat, launched his attack against the conservative Farm Bureau from his position as chairman of the House Agriculture Subcommittee on Rural Development.

He challenged the organization's right to even appear in the role of representing farmers.

Farm Bureau National President Charles Shuman will respond this week by demanding that the full House Agriculture Committee either disown Resnick's allegations, or else conduct a full investigation into the business activities and membership composition of the Farm Bureau and the other two major farm organizations—the National Farmers Union, and National Grange.

Resnick has not asked any questions about the liberal Farmers Union and liberal-to-moderate Grange, but he has brought toward the surface bitter bickering between the three farm organizations concerning their business activities and membership.

For years, the farm organizations have cast aside aspersions at each other concerning how many of their members really are farmers, and how their business income is used politically.

ACCUSATIONS

The Farm Bureau and National Farmers Union in particular have accused each other of using membership in their groups as a device to sell insurance and business services to non-farmers. Resnick claims the Farm Bureau uses this device on a massive scale.

Officials of both the Farm Bureau Federation and National Farmers Union said in interviews last week that their business enterprises have developed to better fulfill the objective of providing service to members. Both contend their principal activity is still serving the interests of their farmer members.

Roger Fleming, Farm Bureau Federation secretary, said Resnick's probes have turned up only a fraction of the business activities of the National Farm Bureau and the 50 state organizations.

Fleming—who said these business activities are not secret—volunteered that within the Farm Bureau state organizations there are:

Twelve life insurance companies operating in 45 states with total assets of \$815 million and \$6 billion of insurance in force. Life companies are forbidden by law to restrict sales to members.

Twenty-seven casualty companies, 31 fire and allied companies, and 21 hail insurance companies with total assets of \$380 million. Most of these companies sell to members only, although four have wholly-owned subsidiaries which sell to non-members. Fleming said some local Farm Bureaus will permit non-farmers to join the organization in order to buy insurance while others will not.

Several large supply companies, including F-S services of Iowa and Illinois which sells chemical fertilizer, feed, seed, and other farm-related supplies.

Distinct from these state and multi-state

enterprises, Fleming said the national organization has eight business enterprises including:

A mutual insurance company with assets of \$20 million and a \$9.5 million surplus. He said this company's principal activity is to supply reinsurance to the state farm bureau insurance companies.

A mutual investment fund for Farm Bureau members that has about \$6 million in assets. The reinsurance company owns \$250,000 of the mutual funds' stock.

A service company which buys batteries, tires (Safemark is the Farm Bureau brand) and other goods in large lots from manufacturers and sells these products through Farm Bureau affiliates in 33 states.

A commodity export company which had about \$30 million in sales last year. Fleming said this company doesn't make money and was set up primarily as a trade "listening post" in Europe.

Fleming said about three-fourths of the Farm Bureau's 1.7 million member families could be classified as having a substantial interest in farming. Resnick claims a far larger percentage are nonfarmers.

Fleming said the national board of directors is urging all states to classify their members as farmers or non-farmers with voting rights only to farmers to insure that control of the organization remains with farmers.

UNAVAILABLE

Only a few states have made this classification, and their membership breakdown was unavailable at Washington headquarters last week.

Resnick describes the various national and state Farm Bureau businesses as a "massive interlocking combine" because the national directors of the Farm Bureau Federation (most are state presidents) also serve as directors or presidents of many of the business enterprises.

IOWA PRESIDENT

For example, he points out that J. Merrill Anderson, president of the Iowa Farm Bureau, is—along with other national federation directors—also a director of the National Reinsurance Company and Mutual Fund.

In addition, Anderson is president of Farm Bureau Life Insurance Co. of Iowa with \$98 million assets and Farm Bureau Mutual Insurance Co. of Iowa with \$23 million assets.

Charles Shuman, the National Federation president, is also president of seven national business operations owned by the Farm Bureau Federation.

FUNDS MINGLED

Resnick charges that funds of the national and state farm bureau organizations are illegally mingled with funds of the huge business operations.

Furthermore, Resnick implies that the massive earnings of the business operations find their way into political campaigns and lobbying activity conducted by the national federation and state farm bureaus.

INCOME REPORTS

He questions what happens to assets from the business enterprises, while the national federation itself only reports about \$2 million annual income and expenditures.

According to the federation's financial statement, virtually all income comes from \$1.25 annual national dues paid by each of the 1.7 million members.

The Farm Bureau categorically denies all of these charges.

Tony Dechant, president of the National Farmers Union, discussed in an interview some of the same questions Resnick has raised about the Farm Bureau.

Dechant said some state and local farmers union affiliates permit non-farmers to become members in order to buy business services, while others do not.

HIS CLAIM

Dechant claims the Farm Bureau sells insurance to thousands of persons in cities, while the Farmers Union business operations are almost entirely in rural areas.

Dechant listed the following business operations by the National Farmers Union.

A life insurance company with \$17.4 million assets, 43,000 policyholders, and \$225 million insurance in force.

A property and casualty company with \$13.7 million assets, and 174,000 policyholders.

A 50-percent interest and \$20 million investment in the Kermac Potash Co. in Carlsbad, N.M. The other partner is the Giant Kerr-McGee Co.

A 50-percent interest, amounting to about an \$8,000 investment in a cut-rate, mailorder drug company.

Two small corporations holding government contracts to operate the Green Thumb Antipoverty Work Program for older farmers, and a farmer training program for the foreign aid agency.

CASUALTY FIRMS

In addition, Dechant said state and regional Farmers Union organizations operate five fire and casualty companies, and several service supply companies, of which the largest is Farmers Union Central Exchange. It had \$130 million in sales last year.

Farmers Union local co-operatives also are principals involved in the Farmers Union Grain Terminal Association (G.T.A.), one of the nation's largest grain marketing co-ops. At times, relations have been cool between the National Farmers Union and management of the G.T.A.

SEC FILING

According to a Farmers Union filing with the Securities and Exchange Commission, has yet to get rich from its business operations.

The Farmers Union issued \$6.5 million in debentures which Dechant said are to be used to finance the insurance companies and potash company which is just getting into operation.

According to the SEC filing, the Farmers Union membership has dropped 17.8 per cent, gross income of its business enterprises has increased by 40 per cent to \$7.7 million, but net income has decreased from \$173,000 in 1962 to a net loss of \$1.1 million in 1966. Dechant said the loss results from expenses in starting the potash company.

A congressional investigation of the farm organizations would center on several issues.

Resnick claims the Farm Bureau misrepresented itself both before the Internal Revenue Service in applying for tax exemption, and the Congress in registering to lobby, by claiming its membership consists of farmers and its interests principally are agriculture.

It is highly unlikely that the highly conservative House Agriculture Committee will open a far-ranging probe into the operations of the farm organizations.

But if such an investigation takes place, there is little doubt that the Farm Bureau, Farmers Union, and Grange (which is also in the insurance business) will publicly question each other's business activities and membership lists.

It is interesting to note the importance of a public inquiry, and the salutary effect it can have. When John C. Lynn appeared before my subcommittee on June 21, he flatly refused to discuss the Farm Bureau's business activities. He refused to tell us how much insurance business they write, or who their insurance companies even are. However, the public spotlight has forced a change in this stoney attitude. Within the past 10 days, Roger Fleming—under increasing

pressure from the press and even members of the Farm Bureau—has made some information on its activities available. True, he has been careful not to say much more than my investigations have already revealed, but it is a start, and definitely a break in the wall of arrogance that organization has erected around itself.

The American Farm Bureau Federation and its individual State Farm Bureaus enjoy their status as tax-exempt agricultural organizations on the basis of their sworn statements to the Internal Revenue Service that in order to qualify for membership the individual must—and I quote directly from their statement to the IRS—"be engaged in carrying on a farm or farms, or have a major agricultural interest." This sworn statement was flatly contradicted in testimony by Mr. Roger Fleming when he appeared as a witness on June 28 before the Subcommittee on Rural Development.

I asked several times whether or not the Farm Bureau represents farm families. Mr. Fleming denied several times that they were "farm" families—choosing instead to refer to them as "member" families.

Finally, at one point I asked him, "Are you saying that all your members are not farm families?" He replied, and I quote from the record:

There are some members who are not farmers in most of the states. The states determine the eligibility requirement. It is different in each of the states represented on this Subcommittee.

In other words, Mr. Speaker, the American Farm Bureau Federation has told the IRS and the Clerk of the House that its membership is limited to farm people; and Mr. Fleming turns around and tells my subcommittee that this is really not true because every State has the right to determine who may or may not join the Farm Bureau. And at no time are membership lists made available to Congress or the Internal Revenue Service to reveal occupational breakdowns of the membership.

If we accept Mr. Fleming's statement at its face value, it is obviously a deliberate misrepresentation on the part of the Farm Bureau to have told the Internal Revenue Service that its membership is limited to agricultural interests. The individual State Farm Bureau organizations are guilty of the very same misrepresentation, since they also receive tax-exempt status from the Internal Revenue Service on the same basis as the national organization. Little wonder that the Farm Bureau is trying to shut me up.

Let us look at Cook County, Ill. Cook County, dominated by the city of Chicago, has more Farm Bureau members than any other county in the United States. According to the Department of Agriculture there are 1,100 farms in Cook County. If 100 percent of the families living on farms belonged to the Farm Bureau, they would have only 1,100 members. But Cook County actually has 7,000 members. Where do they all come from? They are the blue collar and the white-collar workers in the factories and offices of Chicago. They are also the fictional farm families the Farm Bureau tells

Congress and the Internal Revenue Service that it represents. This is not only the story in Chicago. It is a national practice. This fact is clearly illustrated by a letter I wish to insert at this point from a gentleman from Indianapolis, Ind.:

Dear Sir: I note with interest the charges levelled by you against the American Farm Bureau Federation. Being a former Farm Bureau member and never having been a farmer in my life, I agree with much that you say. In my opinion, an investigation such as you suggest is long overdue.

I was a member of the Farm Bureau in Bloomington, Indiana. My membership dues were taken along with my application and payment for an automobile insurance policy. At that time I was employed by the Franklin Manufacturing Division of Studebaker Corporation, a manufacturer of retail refrigeration products.

Good luck with your investigation.

The basis of most, if not all, of the Farm Bureau's farflung commercial activities is its tax-exempt status under section 501(c)5 of the Internal Revenue Code. Since the American taxpayer is helping to finance this economic imperialism, the American public has a right to know what it's all about, where the money comes from, where it is going, and whether all of these activities are indeed legal.

In an effort to obtain answers to these questions, I wrote on June 29 to Sheldon Cohen, Commissioner of Internal Revenue, requesting an investigation of the tax-exempt status of the Farm Bureau. The complete letter is included at the end of these remarks. I pointed out that there was extensive evidence that Farm Bureau membership was open to any individual, regardless of occupation or interest, who purchased insurance and was willing to pay membership dues to join the Farm Bureau.

We discovered, for example, that insurance agents openly advertise for customers, and we have seen advertisements in which these agents state that anyone can buy this insurance, whether a Bureau member or not. They sign him up when they make the sale. If the sale is big enough, the agents very often pay the nonmember's dues out of their own pockets in order to sell the insurance.

I asked the Internal Revenue Service 18 specific questions probing the Farm Bureau's activities as a tax-exempt organization. For example—

First, since anyone can join the Farm Bureau, do they still qualify as a tax-exempt organization under section 501(c)5?

Second, in view of the fact that the State Farm Bureaus and Farm Bureau insurance companies customarily share the same offices, use the same staff, and have the same phone numbers, can they be truly regarded as separate entities?

Third, is a tax-exempt corporation permitted to operate a commercial enterprise in competition with tax-paying free enterprise companies?

Fourth, is it consistent with the purposes of a State Farm Bureau to organize an insurance company in a different State?

I am happy to report that on July 7, Commissioner Cohen wrote advising me that the Internal Revenue Service will

investigate the Farm Bureau. It seems that this announcement by the Internal Revenue Service, reported in the newspapers, was the final straw that impelled the Farm Bureau to pressure the Committee on Agriculture to take steps to silence me. I am sure that very few people and organizations enjoy the prospect of the Internal Revenue Service looking over their shoulder and examining their books. The Farm Bureau, in particular, is violently opposed to such an inspection after years of unrestrained operation and complete freedom from close supervision.

The 13 American colonies fought the War of Revolution because they had taxation without representation. The Farm Bureau has declared war against me because it wants to continue enjoying representation without taxation.

One of the things I hope the Internal Revenue Service will look into are the interlocking directorships that characterize the Farm Bureau insurance structure. To begin with, with just one single exception, every one of the 27 officers and directors of the American Farm Bureau Federation is an officer or director of Farm Bureau Mutual Funds, American Agricultural Mutual Insurance Co., and several Farm Bureau insurance companies in different States. The same tangled can of worms exists among various State Farm Bureaus. For example, in 1955, the officers and directors of the Farm Bureaus in Connecticut, Delaware, Maine, Massachusetts, New York, Pennsylvania, and Rhode Island got together, put up \$1,210,000 and organized an insurance company in the State of New York called the Farm Family Mutual Insurance Company. What it really means, of course, is that every one of the more than 50 Farm Bureau insurance companies is controlled—via direct control or remote control—by the officers of the American Farm Bureau Federation.

My preliminary investigations, as I have already pointed out, have uncovered vast additional areas that deserve investigation in greater depth. For example, probable antitrust violations and violations of the Lobbying Act. This was too much for the Farm Bureau and they decided to shut me up or, at the very least, to undermine my effectiveness. The technique they chose was to pressure my own committee to take action that they hoped would discredit and humiliate me. Of course, it was necessary for an acceptable rationale—a smokescreen—to be developed for public consumption. And so, when questioned by the press, the gentleman from Kansas expressed the official line when he said, on TV, that I was chastised for being harsh and rude toward witnesses, and for refusing to yield to colleagues. Anyone who has been on Capitol Hill for more than one week can only scoff at this shoddy and obviously insincere excuse. Congressmen never have and never should shy away from leveling harsh criticism at those they think deserve it—right up to the President of the United States, himself. Some of the most widely reported incidents here are those bitter exchanges between committee members and Cabinet officers and other department heads, and

between members of the same committee. This is as much a part of politics in Washington as grunting is to wrestling.

Only last week, at hearings of the Senate Subcommittee on Employment, Manpower and Poverty, the senior Senator from New York and the distinguished Secretary of Agriculture went at each other hammer and tongs, while the TV news cameras ground away so that this bitter exchange could be seen later that day by tens of millions of Americans. But no Senator accused his colleague of being rude, or questioned his right to get rough with the witness. And, remember, the witness was a member of the President's Cabinet.

Although committee hearings are commonly punctuated by angry exchanges and heated arguments, never before have the members of any committee ganged up on their chairman in this manner.

As I have just explained, even if this criticism were true it would not justify the committee's action. But, the fact is that the criticism is completely false. The records of these hearings, which are available for the inspection of any Member of this body, prove that every committee member had full opportunity to question every witness for as long as he wanted to. The record shows that in most cases, I yielded immediately upon request. In some cases, such as occurred during the discussion with Mr. Fleming, I refused to yield at the moment I was asked to because, as I told the committee member, I would not yield until I finished making the point I was trying to make. At the same time, however, I stated that my colleagues would have every opportunity to question the witness after I finished. An examination of the record will show that before each witness was excused, regardless of his point of view, every member of the subcommittee was offered the opportunity to question him with no restriction on time. This was true even in the case of witnesses with whom I may have been sharp because I felt they were evading the question or not telling the truth. No questions remained unasked.

However, these are not the main issues. The time has now come for us to turn the spotlight on the issue of overriding importance in this controversy.

Shall the right of a Congressman to speak out, to inquire, to investigate, and if necessary to make accusations, be curtailed in any way? Or, stated in different terms, can a committee of Congress or any private citizen or organization dictate to any Member what he may or may not say? Shall we allow any organization to interfere with the cherished traditional right of each Member of this Body to inquire into the background and activities of an individual or organization, regardless of whose toes may be stepped on?

The right of a Congressman to ask questions and to criticize has never before been challenged by the membership of this body. Why is it challenged now? Is there one Member here today who will be comfortable in the knowledge that if, in the future, his conscience should lead him to ask questions, he is in danger of being blitzed by the kind of massive

retaliation we witnessed here last week? I, for one, do not think there is any organization in American life, whether it be private or governmental, that is so far beyond the reach of the law and so far beyond the reach of public opinion that its activities dare not be questioned. And I believe that if there is any chastising to be done, it should be directed not against Members doing their duty, but against those superlobbies who feel free to use their massive power against a Member of this House.

Now an ominous new cloud has appeared on the horizon. The Farm Bureau seems determined to prevent the publication of the subcommittee hearings we have been conducting. In their letter of July 7, which I have already referred to as a blueprint to silence me, the following sentence appears:

It has been suggested that the hearings be terminated forthwith and the report of the Subcommittee hearings not be published.

The Farm Bureau claims not to support such action. But the fact is that only the Farm Bureau is doing the suggesting, since this idea never existed until it came up in their letter. I ask my colleagues in this House, and the people of this Nation, to watch for any attempt by this lobby to pressure the Committee on Agriculture into suppressing the report on these hearings.

Why should the Farm Bureau want to prevent publication of the hearings of the Subcommittee on Rural Development? Bear in mind that these hearings went on for 5 weeks, and their purpose was to study the effects of Government programs on rural America. A very small part of the hearings was devoted to the Farm Bureau. The rest of the hearings were devoted to statements by Government officials, rural specialists, poverty workers, and rural people themselves—all describing present living conditions in rural America where most of our poverty is concentrated. Let us recognize that successfully preventing the publication of the hearings would serve the broader interest of the Farm Bureau very well. This arch-conservative organization, claiming to represent the interests of rural people, has constantly opposed all progressive legislation and programs in this field. According to its own statement to the subcommittee, it violently opposes all Federal efforts intended to alleviate poverty, raise wages, promote better health, improve education, fight water and air pollution, and promote community development in our rural areas.

As many of the letters I have been receiving for the last several weeks reveal, the Farm Bureau has done more to prevent the economic and social advancement of rural Americans than any other organization in American life.

During our subcommittee hearings we heard the terribly pathetic story about the misery of our migrant workers, and we heard about a rural community in Florida whose second largest industry is the manufacture of baby coffins. What has the Farm Bureau—which claims to be the voice of rural America—ever said or done about tragic problems like this? To the best of my knowledge, nothing at

all. They have been more concerned with promoting high oil depletion allowances than with the deep cancerous problems eating away at the vital organs of America—our rural areas.

The Farm Bureau is entitled to its full share of blame for the fact that our rural areas are burdened with the most poverty, highest unemployment, least social and economic development, and poorest health facilities in the Nation. Their crime has not been mere indifference. Quite the contrary. They have intensively fought every attempt to correct these ills.

If the Farm Bureau thinks its efforts to silence me are going to slow me down, it is very much mistaken. They have made me more determined than ever to find out what they have to hide, and how widespread their financial interests are.

Who runs Congress, the people or the lobbyists? Have we compromised ourselves to such a degree that we can no longer act independently in accordance with our personal conscience and judgment? Is it possible that the passage of this resolution has made the entire committee vulnerable to charges of conflict of interest, since most of the members belong to the Farm Bureau? Farm Bureau influence in the Agriculture Committee is so strong that the administrative Assistant of one of the members of my subcommittee, immediately before joining the Congressman's staff, was for 5 years the legislative director of the Minnesota Farm Bureau. Let me also point out that one of our distinguished colleagues resigned from the National Rifle Association expressly to avoid such a conflict.

Consequently, I believe this to be a matter that should be brought before the House Ethics Committee, and I plan to do exactly that. Something is radically wrong when the Farm Bureau can mail a letter calling for what amounts to a virtual censure of a Member of Congress, and get exactly what it wants—within 48 hours and behind closed doors—all because a Member had the temerity to expose their farflung commercial and financial activities.

There is also disturbing evidence of improper relationships between the Farm Bureau and governmental and quasi-governmental agencies, like the Farmers Home Administration and the Extension Service. I intend to divulge these improprieties at a later date.

The gag resolution of the Agriculture Committee has disturbed many Americans, whose concern I think, was best summed up by the well-known Washington correspondent, Joseph McCaffrey, whose eloquent commentary included the following:

We now have a Committee which is going to decide what Members of the House should say and what they should not say. The world is being made safe for democracy in a strange undemocratic way.

This will prove to be interesting. It may be developed to such a point where a Member will never say anything until he has had his script cleared by a Congressional Committee. This, of course, will cut down on the adlibs. But then some Members of Congress are pretty bad at adlibbing, so we may be spared much pain.

So big brotherism is now to become operating procedure on Capitol Hill. Members will be told, by other Members, what they can say, and what they can't say.

This is a far cry from what the Founding Fathers had in mind when they met in Philadelphia in 1787 to draft the Constitution.

Freedom of speech is precious.

For a Member of Congress it should be even more precious.

What is really sad is that the Members of the Committee apparently don't realize the shaft they sunk in the back of freedom. That is what is most disturbing.

Mr. McCaffrey's entire statement so perfectly and so concisely sums up the true issue at stake, that I am including it at the end of this statement.

At this time I announce my intention of continuing this investigation of the Farm Bureau, as well as the other farm organizations, as an ad hoc committee, and I invite all colleagues who are interested to join in this important inquiry.

I would say to my distinguished colleagues that not only is the honor and integrity of the Agriculture Committee at stake, but the honor and integrity of the entire House of Representatives. This might be a clear-cut case of conflict of interest, and of improper lobbying pressure unheard of since the days of the robber barons.

The Members of this Body can redeem the honor of this House and add new lustre to its image by standing up and speaking out against this unprecedented act of the Committee on Agriculture. I hope all of my colleagues will take this opportunity to do so.

[From News Broadcast by Joseph McCaffrey, WMAL, July 12, 1967]

It has finally happened, Big Brotherism has finally arrived on Capitol Hill. Now who needs a code of ethics there?

We now have a committee which is going to decide what Members of the House should say and what they should not say. The world is being made safe for democracy in a strange undemocratic way.

But then who knows in this age of new development, maybe we should put a cut off button on all Members of Congress. Perhaps we should, as the House Agriculture Committee seems to think have a committee which decides on the merit of what a fellow Member of Congress speaks about.

This will prove to be interesting. It may be developed to such a point where a Member will never say anything until he has had his script cleared by a congressional committee. This, of course, will cut down on the adlibs, but then some Members of Congress are pretty bad at adlibbing, so we may be spared much pain.

All this may be the great and lasting monument to Joseph Y. Resnick, Democratic Congressman from Upstate New York.

Today the House Agriculture Committee, irked because Resnick talked naughtily about one of its most sacred cows, the American Farm Bureau, voted to slap his wrist.

We do not condone what you have said about the federation, said the committee.

In other words: Don't do it again!

Resnick was being forced into a closet of silence because he had criticized the federation, claiming that it wasn't really a farm organization, but rather a gigantic, interlocking, nationwide combine of insurance companies.

At his urging right now the Internal Revenue Service is investigating the federation's lavish use of its golden tax exemption.

After the attack the federation sent a letter to the Full House Agriculture Committee

asking that the committee clear the record by adopting a resolution disassociating itself from the Resnick statement.

After that letter, the committee immediately swung into action and moved today, in one of the most unusual actions ever witnessed on Capitol Hill, to cut out Resnick's tongue.

So Big Brotherism is now to become operating procedure on Capitol Hill. Members will be told, by other Members, what they can say, and what they can't say.

This is a far cry from what the Founding Fathers had in mind when they met in Philadelphia in 1787 to draft the Constitution.

Freedom of speech is precious.

For a Member of Congress it should be even more precious.

Today's committee action against Resnick is regrettable.

But what is really sad is that the members of the committee apparently don't realize the shaft they sunk in the back of freedom.

That is what is most disturbing.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 29, 1967.

HON. SHELDON COHEN,
Commissioner,
Internal Revenue Service,
Washington, D.C.

DEAR COMMISSIONER COHEN: As Chairman of the Subcommittee on Rural Development of the House Committee on Agriculture, I have been holding hearings on rural poverty. Among those testifying has been the American Farm Bureau Federation. Intensive investigation by my staff, following its testimony, has uncovered evidence which has convinced me that the Farm Bureau, far from being the organization of farmers and farm interests it claims to be, is actually a gigantic interlocking, nationwide combine of insurance companies and other businesses. Its insurance companies have assets totalling over \$1 billion. Its life insurance companies alone have over \$6 billion in force.

The American Farm Bureau Federation and its State Farm Bureaus are listed with the Internal Revenue Service as tax-exempt organizations under Section 501(c)(5) of the Internal Revenue Code. We have learned that in violation of their statement of membership policies filed with the Internal Revenue Service, their membership is not at all limited to persons "engaged in carrying on the operation of a farm or farms or who have a major agricultural interest." On the contrary, anyone who wishes to become a Farm Bureau member can do so regardless of his occupation or interests. Membership is used by the Farm Bureau as a means of expanding its insurance sales. There is also evidence of co-mingling of Farm Bureau and insurance company funds, facilities and staff. And, there is an elaborate network of interlocking directorates between the American Farm Bureau Federation and the various state insurance companies as well as among the Farm Bureau insurance companies among the various states. The American Farm Bureau Federation also operates its own insurance company and mutual fund company, having the same set of officers.

I would like to relate one specific incident which I think raises an interesting question. At my direction, an individual purchased casualty insurance from a Farm Bureau insurance agent. She was told that, in order to do this, she would have to join the Farm Bureau and pay a membership fee. This was done and, in accordance with instructions from the agent, the check paying for membership in the Farm Bureau in that state was made out to "Farm Bureau Insurance."

In connection with this very sketchy outline of Farm Bureau activities outside of the agricultural field, I am asking the Internal Revenue Service to conduct a full investigation and audit of the financial, commercial

and other activities of the Farm Bureau to determine what violations of the Internal Revenue Code may be taking place and to determine whether or not the American Farm Bureau Federation should be permitted to operate as a tax-exempt organization under Section 501(c)(5).

Specifically, I would like to have the answers to the following questions:

(1) Since anyone can join the Farm Bureau, regardless of his vocational activities or interests, does this not jeopardize the tax-exempt status of the Farm Bureau? In other words, do they still qualify as a tax-exempt organization under Section 501(c)(5)?

(2) Can the American Farm Bureau Federation and its constituent state organizations be legitimately considered as agricultural organizations since a substantial part of their membership does not consist of bona fide farmers or other persons with an agricultural interest?

(3) Is it consistent with the tax-exempt status of the various Farm Bureaus (under 501(c)(5)) to sell or provide insurance to their members?

(4) Is it consistent with the tax-exempt status of the various Farm Bureaus (under 501(c)(5)) to sell or provide mutual funds to their members?

(5) Is it consistent with the tax-exempt status of the various Farm Bureaus (under 501(c)(5)) to conduct peripheral activities, such as the operation of automobile supply stores, farm supply and equipment stores, etc.? Are these consistent with the stated purposes of the organization?

(6) If the Farm Bureau insurance companies are tax-exempt as mutual companies (or under any other provision of the tax law) is their mode of operation actually consistent with the tax status they presently enjoy under the law? (By mode of operation, we mean the selling of insurance to persons who do not fit the Farm Bureau's own definition of its membership.)

(7) Do any particular members or officers derive any special benefits from the operation of the Farm Bureau's non-agricultural activities?

(8) In view of the fact that the State Farm Bureaus and Farm Bureau insurance companies customarily share the same offices, use the same staffs and have the same phone numbers, can they be truly regarded as separate activities?

(9) Can a tax exempt organization legally own or operate corporations whose funds contribute to political and lobbying activities?

(10) To what extent are funds from the various insurance companies and other businesses pipe-lined back to the American Farm Bureau Federation, and how is this done?

(11) Is it consistent with the purposes of a state Farm Bureau to organize an insurance company in a different state?

(12) On some occasions officers of several state Farm Bureaus have gotten together to organize an insurance company in another state. Officers and/or directors are also directors of the American Farm Bureau Federation. How does this affect the contention of the American Farm Bureau Federation that it is a federation of independent state organizations, and not really one single national organization?

(13) In 1955, the Farm Bureau Insurance Company became the Nationwide Insurance Company. What relationship presently exists between those two companies?

(14) Is a tax exempt corporation permitted to operate a commercial enterprise in competition with free enterprise?

(15) Can a tax-exempt State Farm Bureau properly operate stock (profit-making) insurance company that sells insurance to the public at large—that is, not limited to Farm Bureau members?

(16) The Farm Bureaus of certain states operate at least two insurance companies, one a mutual company and the other a stock

company in which Farm Bureau membership is not required. Which of these companies are tax exempt and which are not?

(17) What possible violations may have been committed by the co-mingling of insurance company and Farm Bureau funds?

(18) Has the American Farm Bureau Federation been audited in the past for the purpose of disclosing any of the above information, and if so, when, and with what results.

The evidence, Mr. Commissioner, is clear that the American Farm Bureau Federation is anything but the agricultural organization it claims to be on its tax-exemption application. Its principal activities are evidently financial and commercial, and, consequently, we believe that the statements it has made to the Internal Revenue Service regarding its membership and its purposes may well be untrue.

All available evidence strongly suggests that the principle business of the Farm Bureau is insurance—not agriculture. We urgently request that the investigation of this organization be instituted promptly so that we can determine the facts.

Sincerely yours,

JOSEPH Y. RESNICK,
Member of Congress.

[From the Washington (D.C.) Evening Star,
July 10, 1967]

IRS DECIDES TO PROBE STATUS OF FARM BUREAU

(By Robert Walters)

The Internal Revenue Service has decided to investigate the tax exempt status of the nation's largest and most influential agricultural organization—the American Farm Bureau Federation.

The IRS decision, expected to be formally announced within the next few days, was made in response to a request from Rep. Joseph Y. Resnick, D-N.Y., who has charged that the Farm Bureau "has as much right being a tax-exempt organization as General Motors does."

Resnick's allegations were made late last month during little publicized but unusually vehement exchanges with a pair of high-ranking Farm Bureau officials testifying at two congressional hearings.

INSURANCE BUSINESS

The angry exchanges at the second session were halted only after one representative invoked the seldom-cited House rule which prohibits committee meetings while the House is in session unless prior permission has been granted.

The IRS probe is expected to center on Resnick's charge that the Farm Bureau, while claiming to be principally an agricultural organization, enjoys a tax exemption for a large and profitable insurance business.

Resnick said last week that the American Agricultural Mutual Insurance Federation, "wholly owned and operated by the Farm Bureau, earned 574,241 in 1966 without paying a penny in federal income tax, real estate tax or investment tax."

In addition, Resnick said that the Farm Bureau operates a wide variety of other tax-exempt business ventures, including a mutual fund, shopping centers, grain elevators, auto supply houses, farm implement businesses and similar enterprises.

CALLED "INSULT"

The Farm Bureau replied by charging that Resnick's attack was based on "an abundance of misinformation and lack of understanding." The organization said Resnick's statements were "an insult to every Farm Bureau member."

The Farm Bureau said it would "welcome an investigation of all farm organizations in the country" and added:

"The Farm Bureau is proud that over the years it has offered economic services to its members and that, most importantly, Farm

Bureau members have retained control and ownership of the affiliates providing those services."

With more than 1.7 million members in every state except Alaska, the Farm Bureau has long been the country's most dominant agricultural organization.

It has opposed federal price support programs and other government farm programs. It has generally taken a conservative political position, opposing federal spending on antipoverty projects and other Great Society programs.

CLASHES WITH OFFICIAL

Resnick's clash with the Farm Bureau was touched off June 21, during a hearing held by the House Agriculture Committee's subcommittee on rural development on the effect of government programs on rural poverty.

John Lynn, the Farm Bureau's legislative director, was testifying, when Resnick mentioned, in passing, "the many other people living in rural America today to whom your fine organization sells insurance."

Lynn replied: "If you are insinuating that the Farm Bureau is primarily an insurance agency—"

He was interrupted by Resnick, who charged: "I am not insinuating it. I am stating it."

Lynn: "Well, it is not so. For the record, it is not so."

Resnick: "For the record, I am stating it."

DATA REFUSED

The exchange ended when Lynn rejected a request from Resnick, the subcommittee chairman, to provide for the hearing record the figures on how much insurance the Farm Bureau issues.

On June 28, Roger Fleming, the Farm Bureau's secretary-treasurer and its second-ranking official behind president Charles B. Shuman, appeared before the subcommittee and engaged in a similar verbal duel with Resnick.

Resnick refused to yield to two subcommittee members, Representatives John M. Zwach, R-Minn., and George A. Goodling, D-Pa., for questioning of Fleming. At that point the subcommittee was forced to adjourn because another member noted that the House was in session.

Resnick stepped up his attack later, charging the Farm Bureau with "masquerading before Congress, the nation and the American farmer as a farm organization deeply and exclusively devoted to promoting the best interest of the American farmer, when in reality this organization is a gigantic interlocking nationwide combine of insurance companies with total assets of more than \$1 billion."

CALLED "SERVICE"

Charging that the granting of membership "is simply a device for selling insurance and other services," Resnick said he "had someone buy Farm Bureau insurance who has never been closer to a farm than Columbus Circle in New York."

Resnick also described as "a fraud" the statement filed by the Farm Bureau with the clerk of the house describing its lobbying interests as covering "primarily the fields of legislation affecting agriculture directly."

Similarly, Resnick said, the Farm Bureau made "false statements" to the IRS when seeking a tax exemption by claiming that its membership consisted of farmers and persons "having a major agricultural interest."

He said the Farm Bureau has affiliations with 51 casualty and life insurance companies, the National Food Conference Association and Farm Bureau Mutual Funds, Inc., with assets of \$5.3 million.

He also cited the recent \$10 million purchase in Birmingham, Ala., of the largest enclosed-mall shopping in the Southeast by a group of Farm Bureau-affiliated insurance firms.

The Farm Bureau described as "the best

example of his ignorance" Resnick's statement that the largest county Farm Bureau was in Cook County, Ill., which also includes the city of Chicago.

The farm Bureau said Cook County has "some of the best farmers in the nation," who sell more than \$16 million worth of agricultural products yearly from 100,000 acres of farmland.

Resnick replied that census figures list 3,532 men, women and children on farms in Cook County, while the Farm Bureau claims 6,997 family memberships in the county.

Fleming, in his testimony, acknowledged that "there are some members who are not farmers in most of the states," adding: "The states determine the eligibility requirement, it is different in each of the states."

[From the Birmingham News, June 30, 1967]

CAPITAL FIRM BUYS EASTWOOD MALL

(By Irving Belman)

Eastwood Mall, the largest regional enclosed mall shopping center in the Southeast, was to be sold today to the Farm Bureau Insurance Cos. of Montgomery.

The sale was scheduled to be consummated at a meeting at 1 p.m.

While the purchase price was not announced, it was unofficially estimated at more than \$10 million, making this one of the largest commercial transactions in Alabama's history.

The sellers were the N. H. Waters Sr., family, owners and developers of the 750,000 square-foot shopping center located on U.S. Highway 78 East at Oporto Avenue.

Announcing the sale were N. H. Waters Sr., widely known Birmingham business man; J. D. Hays, president of the Farm Bureau Insurance Cos., and Ed Lowder, executive vice president of the insurance companies, the latter two of Montgomery.

The transaction, including the financial arrangements, was handled by Jack Shannon and Fulton Clark Jr. Newman H. Waters Jr., played a key role in the negotiations, and Birmingham Atty. Douglas Corretti also represented the seller.

Eastwood Mall now has 15 acres of buildings, and provides parking for 3,000 automobiles. Built in 1959, it was opened in 1960 and now is rated one of the most successful shopping centers in the South.

This represents the second large investment by the Farm Bureau Insurance Cos. in Birmingham shopping center property.

Two years ago, the Montgomery firm acquired Five Points West Shopping Center at an estimated cost of \$5.5 million.

The firm also has acquired the Shades Mountain estate of the late Tom Martin and is developing the property into a fashionable subdivision.

"We have great confidence in the entire Birmingham district for investment purposes," Hays and Lowder, of the purchasing firm, declared.

"The potential for future growth is definitely here, and we want to participate in that growth."

The two officials also hinted additional future commercial developments would be forthcoming from their firm in this area in the coming months.

The Farm Bureau Insurance Cos. are the largest writers of fire insurance in Alabama, and the second largest writer of automobile liability insurance in the state.

The companies' growth has been phenomenal, averaging an increase of 20 per cent in business each year, or doubling in size every five years.

Success of Eastwood Mall as a commercial venture can be gauged from this comment by N. H. Waters Sr., president of Eastwood Corps., the developer firm, some months ago: "The mall first opened in 1960. Sales volume has exceeded our anticipated goals every year since then. We have every confidence in the future."

AMERICAN FARM BUREAU FEDERATION,
Washington, D.C., July 7, 1967.
Hon. W. R. POAGE,
Chairman, Committee on Agriculture, U.S.
House of Representatives, Washington,
D.C.

DEAR CONGRESSMAN POAGE: Last month it was announced by Congressman Joseph Resnick, Chairman of the Subcommittee on Rural Development of the House Committee on Agriculture, that hearings would be held throughout the month of June on the effects of Great Society programs on rural America. As the nation's largest general farm organization, Farm Bureau naturally has an interest in this subject. We requested an opportunity to offer testimony, and on June 21 Mr. John C. Lynn, legislative director of the American Farm Bureau Federation, appeared before the Subcommittee to present our statement.

As the record will show, Mr. Lynn had hardly begun reading the statement when Chairman Resnick challenged the propriety of Farm Bureau's statement, charging that Farm Bureau is not a farm organization but a large group of insurance companies without primary interest in the welfare of the agricultural community. The record will show that, after a number of interruptions, the meeting of June 21 was adjourned without Mr. Lynn having completed Farm Bureau's statement. Mr. Lynn requested an opportunity for Farm Bureau to complete its testimony, and Chairman Resnick set June 28 as the date for resumption of our testimony.

Due to prior commitment, Mr. Lynn could not personally appear on June 28. I arranged to appear to complete our testimony. The Subcommittee Chairman, Mr. Resnick, and the staff were informed of this change.

It is a matter of record that on June 27, Chairman Resnick charged in a statement published in *The Congressional Record* that "the granting of membership in the Farm Bureau is purely and simply a device for selling insurance and other services"; he also made other statements challenging the integrity of the organization and its officers. I had not read these charges prior to the opening of the hearings on June 28, but became aware of them shortly before being called as a witness when a press statement from Chairman Resnick was circulated throughout the hearing room reiterating these charges and launching additional ones. At the outset of my appearance, Mr. Resnick read from the *Record* the charges previously made on the House floor. Naturally, these charges, and not the subject before the Subcommittee, made up the dialogue of that appearance, which ended when the House was called into session.

Chairman Resnick has indicated that Farm Bureau will be given further time at future meetings of the Subcommittee. We shall be most happy to return to complete our original statement dealing with the effect of Federal Programs on Rural America. However, we are not inclined to return before the Subcommittee to discuss matters irrelevant to this hearing—such as Farm Bureau's service-to-member program.

We do not believe a majority of the members of the House Committee on Agriculture would expect us to do so, nor would they condone Chairman Resnick's use of his position to engage in a personal vendetta against Farm Bureau. We view his assault as an attack on all voluntary, nongovernmental organizations. If a farm organization's purpose is not to serve its members' needs, then what is it? This attack on Farm Bureau members for having developed their own insurance companies to serve their own needs would appear to be an attack on the self-help efforts of any and all organizations.

We are confident that you can appreciate the rather confused situation that has been created as a consequence of Mr. Resnick's sweeping charges. As an organization we have nothing to hide and have stated that we shall cooperate in any responsibly conducted Congressional inquiry into our operations and those of other farm organizations; however, we do not believe Chairman Resnick's Subcommittee is the proper setting for such an investigation. In fact we doubt if his activities thus far in this area are within the authority delegated to this Subcommittee.

It has been suggested that the hearings be terminated forthwith and that the report of the Subcommittee's hearings not be published. From our point of view, this would be a most unsatisfactory approach to resolving the matter of Chairman Resnick's attack on Farm Bureau. Reckless charges have been made—and widely reported throughout the country by the various news media.

In the interest of justice and fair play we urge that the full committee give immediate consideration to the charges made by Subcommittee Chairman Resnick against the Farm Bureau organization (county, state and national). If the Committee believes that there is basis for these charges, then we respectfully request the full Committee conduct a full scale, in depth, investigation of all farm organizations with special emphasis on organization-related business activities, government contracts in operation, and an analysis of the size and composition of each organization's membership. On the other hand, if the Committee does not concur in these charges, then we feel that the Committee should clear the record by adopting

a resolution in which it disassociates itself from the attacks on Farm Bureau made by Subcommittee Chairman Resnick and by making known to the public at an early date its disposition of this matter.

Sincerely yours,
ROGER FLEMING,
Secretary-Treasurer and Director
Washington Office.

JULY 12, 1967.

STATEMENT BY MEMBERSHIP OF RURAL DEVELOPMENT SUBCOMMITTEE OF THE HOUSE COMMITTEE ON AGRICULTURE

"While we recognize that in the House of Representatives diversity of opinion and strong personal expression of that opinion are both essential and innate to the legislative process and while we realize that each Member of the House holds a high Constitutional privilege to express himself in nearly any manner that he may see fit, we submit that the words and actions of one Member, spoken and taken from a leadership forum, should not become binding upon the consciences or convictions of other members of that House forum who are in disagreement with those words and actions.

"In the present situation the Chairman of the Subcommittee on Rural Development has launched from his position of leadership on the subcommittee a personal attack upon one of our nation's oldest and most respected general farm organizations, the American Farm Bureau Federation.

"The Chairman has already stated in the hearing record that this attack is his and his alone. We concur that such is the case, and we do not wish in any manner to abrogate his Constitutional privilege to express his views on this matter.

"We do, however, sincerely feel that the membership of the House as well as the general public should fully and clearly understand our position in hereby disassociating ourselves, as members of the Rural Development Subcommittee, from charges against the American Farm Bureau Federation, or for that matter, against any other general farm organization which carries on service programs for its membership.

"We further recommend that the full Committee on Agriculture likewise disassociate itself from these strictly personal activities of the subcommittee Chairman by adopting the following Committee Resolution.

"Resolved, That the Committee on Agriculture of the United States House of Representatives does in no manner endorse, condone, or support the personal attack launched by the Chairman of the Subcommittee on Rural Development upon the American Farm Bureau Federation."

Farm Bureau Mutual fire and casualty companies (1965)

(In millions of dollars)

Name	Total assets	Policyholders' surplus	Premiums earned	1961 assets	Name	Total assets	Policyholders' surplus	Premiums earned	1961 assets
1. Alabama Farm Bureau Mutual Casualty Co., Inc.	21.2	10.3	11.1	11.3	17. Western Farm Bureau Mutual Insurance Co. (New Mexico)	2.2	0.7	2.0	1.9
2. Alabama Farm Bureau Mutual Insurance Service, Inc.	5.9	4.1	1.9	3.8	18. Farm Family Mutual Insurance Co. (New York)	5.3	1.8	2.8	3.4
3. Farm Bureau Mutual Insurance Co. of Arkansas	4.6	2.2	2.8	2.6	19. North Carolina Farm Bureau Mutual Insurance Co.	5.6	2.1	4.4	2.8
4. Colorado Farm Bureau Mutual Insurance Co.	3.7	1.9	2.2	2.8	20. Oklahoma Farm Bureau Mutual Insurance Co.	1.0	4.1	6.9	5.9
5. Florida Farm Bureau Mutual Insurance Co.	2.2	1.1	1.6	1.0	21. South Carolina Farm Bureau Mutual Insurance Co.	1.2	.5	.9	.6
6. Georgia Farm Bureau Mutual Insurance Co.	3.4	1.5	3.0	1.4	22. Texas Farm Bureau Mutual Insurance Co.	9.6	3.6	3.9	4.3
7. Farm Bureau Mutual Insurance Co. of Idaho	3.0	1.2	2.1	2.6	23. Utah Farm Bureau Mutual Insurance Co.	1.5	.8	1.0	1.5
8. United Farm Bureau Mutual Insurance Co.	30.4	10.9	21.6	25.7	24. Virginia Farm Bureau Mutual Insurance Co.	3.8	1.0	3.1	2.6
9. Farm Bureau Mutual Insurance Co. of Iowa	23.2	11.9	15.7	22.1	25. Wyoming Farm Bureau Mutual Insurance Co.	2.3	.9	1.8	1.6
10. Farm Bureau Mutual Insurance Co. of Kansas	18.5	8.6	12.3	14.9	26. American Agricultural Mutual Insurance Co. of Indiana	18.2	10.4	7.8	16.1
11. Kentucky Farm Bureau Mutual Insurance Co.	13.4	5.9	9.1	8.6	27. Farm Bureau Mutual Insurance Co. of New Hampshire	62.7	31.0	35.6	66.3
12. Louisiana Farm Bureau Mutual Insurance Co.	.7	.3	.4	.5	28. Country Mutual Insurance Co. (Illinois)	3.7	2.5	1.7	2.8
13. Farm Bureau Mutual Insurance Co. of Michigan	12.5	3.7	9.0	8.3	29. Nodak Mutual Insurance Co. (North Dakota)	16.2	8.4	9.8	9.6
14. Mississippi Farm Bureau Mutual Insurance Co.	3.6	1.5	2.4	1.5	30. Tennessee Farmworkers' Mutual Insurance Co.	7.5	3.2	6.0	6.0
15. Farm Bureau Mutual Insurance Co. of Missouri	4.6	1.2	4.2	3.3	31. Rural Mutual Insurance Co. (Wisconsin)				
16. Farm Bureau Mutual Insurance Co. of Nebraska	2.1	.7	1.7	2.0					

Farm Bureau life insurance companies

[In millions of dollars]

Companies	Total assets	Premiums	Net gain from operations	Assets (1961)	Total insurance in force	
					1961	1965
1. Farm Bureau Life Insurance Co. of Iowa: Iowa Farm Bureau owns all common stock. The Iowa Farm Bureau can receive no more than 7½ percent of par value of common stock (after policyholders' dividends).....	98.0	16.4	0.95	59.6	501.1	694.3
2. Farm Bureau Life Insurance Co. of Michigan.....	24.8	5.0	.36	12.1	124.6	219.3
3. Farm Bureau Life Insurance Co. of Missouri: All capital stock owned by Farm Bureau Investment Co. of Missouri.....	9.6	1.8	.15	5.3	53.2	97.6
4. Farm Family Life Insurance Co. is entirely owned by Farm Bureau organization located in 9 States (Eastern States).....	25.2	5.9	.51	11.1	143.1	266.6
5. Kansas Farm Life Insurance Co.: 98.7 percent of stock is held by Kansas Farmers Investment Co. (Farm Bureau).....	19.8	3.1	.11	11.9	114.2	210.7
6. Southern Farm Bureau Life Insurance Co.: All stock owned by Farm Bureau Investment Corp. in 5 States.....	111.7	26.8	1.70	51.2	671.5	1,370.7
7. United Farm Bureau Life Insurance Co. (Indiana): Indiana Farm Bureau Inc., owns all stock.....	72.2	14.0	1.30	50.5	278.3	490.6
8. Western Farm Bureau Life Insurance Co. (Colorado): Farm Bureau service companies (3 States).....	17.0	4.6	.04	8.1	119.3	243.3
9. Country Life Insurance Co.....	311.7			218.7		
10. Country Mutual Life.....	3.8					
11. Rural Security Life Insurance Co.....	13.1					

Farm Bureau stock fire and casualty companies

[In millions of dollars]

	Total assets	Policyholders surplus	Premiums	Assets (1961)
1. Country Casualty Insurance Co.....				
2. Mid-American Fire & Marine Insurance Co.....	3.0			
3. Rural Casualty Insurance Co.....	1.0			
4. Early Settlers Insurance Co.....	1.1	0.4	0.8	0.5
5. Cal-Farm Insurance Co.....	13.0	3.5	9.8	11.4
6. Oregon Farm Bureau Insurance Co.....	1.6	.4		
7. Southern Farm Bureau Casualty Insurance Co. (only for members).....	38.5	9.0	34.2	27.8

DIRECTORS OF THE AMERICAN FARM BUREAU AND THEIR INSURANCE AFFILIATIONS

Charles Shuman, President, American Agricultural Mutual Ins. Co.

Walter Randolph, director, Southern Farm Bureau Life Ins. Co.; director, American Agricultural Mutual Ins. Co.

Roger Fleming, secretary, American Agricultural Mutual Ins. Co.

Allan Lauterbach, treasurer and asst. secretary, American Agricultural Mutual Ins. Co.

George Doup, president, United Farm Bureau Mutual Ins. Co.; vice president, American Agricultural Mutual Ins. Co.

J. Merrill Anderson, president, Farm Bureau Life Ins. Co. (Iowa); president, Farm Bureau Mutual Ins. Co. (Iowa); director, American Agricultural Mutual Ins. Co.

Percy Hardiman, president, Rural Mutual Ins. Co.; president, Rural Security Life Ins. Co.; president, Rural Casualty Ins. Co.; under sponsorship of the Wisconsin Farm Bureau.

Lewis Munn, president, Oklahoma Farm Bureau Mutual Ins. Co.; director, Western Farm Bureau Life Ins. Co.; director, American Agricultural Mutual Ins. Co.

J. D. Hays, executive vice president and secretary, Alabama Farm Bureau Mutual Ins. Service, Inc.; executive vice president and secretary, Alabama Farm Bureau Mutual Casualty Co., Inc.; vice president, Southern Farm Bureau Life Ins. Co.; director, American Agricultural Mutual Ins. Co.

Boswell Stevens, president, Mississippi Farm Bureau Mutual Ins. Co.; president, Southern Farm Bureau Life Ins. Co.; director, American Agricultural Mutual Ins. Co.

Robert Delano, president, Virginia Farm Bureau Mutual Ins. Co.; president, Early Settlers' Ins. Co.; director, Southern Farm Bureau Life Ins. Co.

C. H. DeVaney, president, Texas Farm Bureau Mutual Ins. Co.; president, Southern Farm Bureau Casualty Ins. Co.; director, American Agricultural Mutual Ins. Co.; director, Southern Farm Bureau Life Ins. Co.

Henry T. Wilson, vice-president, Wyoming Farm Bureau Mutual Ins. Co., Inc.; director, Western Farm Bureau Life Ins. Co.; director, American Agricultural Mutual Ins. Co.

Max Benitz, director, Cal-Farm Ins. Co. Allan Grant, president, Cal-Farm Ins. Co.; director, American Agricultural Mutual Ins. Co.

Floyd Sommerville, president, Colorado Farm Bureau Mutual Ins. Co.; director, American Agricultural Mutual Ins. Co.; director, Western Farm Bureau Life Ins. Co.

Floyd Hawkins, vice-president, Western Farm Bureau Life Ins. Co.; director, Western Farm Mutual Ins. Co.; director, American Agricultural Mutual Ins. Co.

William Kuhfuss, president, Country Mutual Ins. Co. (Ill.); president, Country Casualty Ins. Co.; chairman of board, Mid-American Fire and Marine Ins. Co.; director, American Agricultural Mutual Ins. Co.

Clark Robinson, president, Nodak Mutual Ins. Co.; director, American Agricultural Mutual Ins. Co.

Elton R. Smith, director, Farm Bureau Life Ins. Co. of Michigan; director, Farm Bureau Ins. Co. of Michigan; director, American Agricultural Mutual Ins. Co.

Frank Sollars, director, American Agricultural Mutual Ins. Co.

Paul Nay, director, Farm Family Mutual Ins. Co.

Gerald A. Biggs, president, Farm Family Mutual Ins. Co.; director, American Agricultural Mutual Ins. Co.

William Bensley, vice president, Farm Family Mutual Ins. Co.; administrative vice president and secretary, Farm Family Life Ins. Co.; director, American Agricultural Mutual Ins. Co.

David Sloan, president, South Carolina Farm Bureau Mutual Ins. Co.; director, Southern Farm Bureau Life Ins. Co.; director, Southern Farm Bureau Casualty Ins. Co.

B. G. Mangum, president, North Carolina Farm Bureau Mutual Ins. Co.; director, Southern Farm Bureau Life Ins. Co.; director, American Agricultural Mutual Ins. Co.

Keith Wallace.

Extract of 1966 financial statement of American Agricultural Mutual Insurance Co.

1. Taxes:	
Net investment income earned	\$574,241.27
Investment taxes	0
State and local insurance taxes	5,416.38
Insurance department fees (licenses)	2,416.38
Payroll taxes	6,204.77
Federal income tax	0
Real estate tax	0
2. Insurance in force (not including reinsurance)	2,914,246.48
Insurance in force (including reinsurance)	6,522,921.26
3. Advertising	22,191.16

Extract of 1966 financial statement of American Agricultural Mutual Insurance Co.—Continued

4. Salaries	\$223,191.31
Director's fees	14,408.01
Travel	21,902.05
Donations	1,175.00
5. Owns 83.09 percent of outstanding shares of Oregon Farm Bureau Insurance Co. (a stock insurance company); owns 200 shares of Cal-Farm Insurance Co. at \$100 per share (a stock insurance company); owns 26,624 shares of common stock of Farm Bureau Mutual Funds, Inc.:	
Book value	227,707.29
Market value	266,240.00

CONGRESSMAN ATTACKS FARM BUREAU AS "BILLION DOLLAR INSURANCE COMBINE"

Congressman Joseph Y. Resnick today accused the American Farm Bureau Federation of "using the American farmer in order to build one of the largest insurance and financial empires in the United States, and to bring great profit to a select handful of men."

In a sharply-worded speech delivered to the House today, Congressman Resnick charged the American Farm Bureau with, "masquerading before the Congress, the nation, and the American farmer, as a farm organization deeply and exclusively devoted to promoting the best interests of the American farmer, when in reality this organization is a gigantic, interlocking, nationwide combine of insurance companies with total assets of almost \$1 billion."

Congressman Resnick is chairman of the Subcommittee on Rural Development of the House Agriculture Committee, which has been holding hearings on rural problems.

Mr. Roger Fleming, Secretary-Treasurer of the American Farm Bureau Federation, will testify before the Subcommittee tomorrow at 10 A.M. in Room 1302, Longworth House Office Building.

"Our farmers have been taken in," the New York Democrat continued. "I have evidence that the granting of membership in the Farm Bureau is simply a device for selling insurance and other services." He said that the Farm Bureau also operates a mutual fund dealing in stocks, bonds and other securities.

Mr. Resnick also characterized Charles Shuman, President of the American Farm Bureau Federation as, "the king of gentleman farmers," pointing out that in addition to his leadership of the Farm Bureau, Mr. Shuman is also President of the Farm Bureau Mutual Fund and President of the American Agricultural Mutual Insurance Company.

The complete text of Congressman Resnick's speech follows:

"Mr. Speaker, a number of years ago Congress realized that individuals and organizations appearing before it might be tempted to influence legislation for their own private gain rather than for the good of the nation. With that in mind, Congress passed the Lobbying Act so that everyone would know the nature of individuals and organizations attempting to influence pending legislation.

"This law requires every lobbying organization to file an affidavit with the clerks of the House and Senate, reviewing the sources of its income, its expenditures, its purposes, and its chief personnel. The intent of the law is clear: to let the public know who is influencing what legislation, and for what purpose. Thus, for example, when the AFL-CIO comes down to Washington to influence legislation by testifying before the various committees of this distinguished House, we know who they are, whose interests they serve, and what their purpose is. When an organization misrepresents itself or its purposes, or fails to properly reveal its true interests or the source of its funds, the law must deal with it.

"It is my duty today, Mr. Speaker, to disclose to the nation that one of the largest and best-known organizations in American life has for many years been *masquerading* as one kind of organization when in reality it has been something quite different. The organization in question is the American Farm Bureau Federation.

"Over the years the Farm Bureau has been representing itself to Congress, the nation, and the American farmer as a farm organization deeply and exclusively devoted to promoting the vast interests of the American farmer.

"I have made the shocking discovery that the Farm Bureau has not been *representing* the American farmer; it has been *using* him. It has been using him to build one of the largest insurance and financial empires in the United States, an empire which is bringing great profit to a select handful of men.

"Last week the Farm Bureau testified before the Subcommittee on Rural Development of the House Committee on Agriculture, of which I am chairman. Since then I have spent a lot of time looking into that organization. My investigation has revealed the shocking fact that the American Farm Bureau Federation is a gigantic, interlocking nationwide combine of insurance companies with total assets of almost \$1 billion. I have evidence that the granting of membership in the Farm Bureau is purely and simply a device for selling insurance and other services.

"While we have not yet uncovered all of its assets, companies, and business connections, or even all of its insurance companies, we do already know that in addition to its insurance businesses, the Farm Bureau also operates a multimillion dollar Mutual Fund dealing in stocks, bonds, and other securities.

"Let's look at that typical American farmer, Mr. Charles Shuman, President of the American Farm Bureau Federation. Not long ago, Mr. Shuman was featured in one of our national picture magazines, dressed in overalls and waving an ear of corn. Mr. Shuman must certainly rank as the king of all gentleman farmers. His home is in Chicago. No doubt he occasionally visits his picturebook Midwestern farm. But in addition to heading the American Farm Bureau Federation, he also happens to be President of the Farm Bureau Mutual Fund and the American Agricultural Mutual Insurance Company.

"I can assure you that Mr. Shuman is not unique. Virtually every officer and director of the American Farm Bureau Federation is an officer or director of one or more insurance companies. Their life insurance companies alone (not including their many casualty

and fire insurance companies) have over \$3.5 billion of insurance in force.

"Our farmers have been taken in—lock, stock, and silo. No one can tell me that the interests of the over-worked and under-paid American farmer are the same as billion-dollar insurance companies. In fact, I would say these interests are usually in head-on conflict. What I can't understand is why an organization like the Farm Bureau has been able to pull the wool over our farmers' eyes for so many years, and why it has been allowed to appear before countless Congressional committees over the years misrepresenting itself as a farm organization. Who can even begin to estimate the damage this subterfuge has done to the cause of the American farmer?

"Mr. Speaker, in the days to come, I plan to document these charges—and others—in great detail for the Congressional Record. I hope that these facts convince all Americans—especially our farmers—that the American Farm Bureau Federation would be more honest in its relations with Congress and the public if it changed its name to the American Farm Insurance Company.

"In addition, I plan to look into possible violations of the Lobbying Act resulting from the revelation of these previously unpublished activities of the Farm Bureau and its officials."

JUNE 28, 1967.

"I am amazed to learn that farming now appears to be one of the main occupations in the city of Chicago," Congressman Joseph Y. Resnick said today, after revealing that the American Farm Bureau Federation has more members enrolled in Cook County, Illinois than in any other county in the United States.

"Here is clear evidence that the Farm Bureau, which is supposedly an organization of farmers and farm interests, is actually nothing more than a giant insurance complex," Congressman Resnick said. "In direct violation of the spirit, if not the letter of their Articles of Incorporation, the Farm Bureau companies will sell insurance to anyone who will buy it, and make the purchaser a member at a small extra charge, so that he becomes technically eligible.

"I had someone buy Farm Bureau Insurance who has never been closer to a farm than Columbus Circle in New York. This is one of the greatest confidence games I have ever heard of. The Farm Bureau has been deliberately misrepresenting itself and its purposes to the American farmer and to Congress. I plan to see that this masquerade is brought to an end," continued the New York Democrat.

Continuing his probe into the tangled financial affairs of the American Farm Bureau Federation, Congressman Resnick said that preliminary investigation has already revealed the existence of a network of 36 separate Farm Bureau Insurance Companies, as well as a wholly-owned mutual fund dealing in stocks and bonds.

"At least one insurance company, the American Agricultural Mutual Insurance Company, with assets of \$11 million is wholly-owned by the American Farm Bureau Federation," stated Congressman Resnick. "Its president is Charles Shuman, President of the Farm Bureau. Other officers of the Farm Bureau also hold top positions in American Agricultural Mutual Insurance."

"The same interlocking relationship exists between the Farm Bureau and its mutual fund."

Congressman Resnick said that the Farm Bureau has created its own "insurance explosion." It has expanded its insurance operation to the point where, through 28 affiliated companies, with assets totaling \$250 million, it is the 35th largest fire and casualty insurer in the United States.

He said that there were at least 8 Farm

Bureau Life Insurance Companies whose assets in 1965 totaled \$378 million, placing the Farm Bureau among the top 50 life insurance companies in the Nation.

"In its statement filed with the House of Representatives as required by the Federal Lobbying Act," Congressman Resnick said, "The Farm Bureau claims that its legislative interests 'cover primarily the fields of legislation affecting agriculture directly'. In view of their vast assets from insurance, which far exceed their earnings from farmer-related activities, how can anyone possibly believe that the Farm Bureau's lobbying statement is anything but a fraud?"

Congressman Resnick charged that an interlocking relationship exists between the AFBF and the various State Farm Bureau Insurance Companies. Virtually all directors of the AFBF also hold offices and directorships in the state-chartered insurance companies.

He said, "The Farm Bureau Companies are not independent of each other in any sense of the word. They are part of a massive network. We often see how several State Farm Bureaus often combine to form a new Farm Bureau Insurance Company. Management personnel move from one Farm Bureau Insurance Company to another. For example, an agent may come up through the ranks of one insurance company in the Mid West and then be promoted to an executive position in a different company in the Southeast."

Congressman Resnick also charged that comingling of Farm Bureau funds and insurance company funds was also a common practice. He cited the fact that checks for Farm Bureau membership were often made out to one of the insurance companies. "This is a clear violation of the law which prohibits the use of corporate funds for political activities," he said.

JULY 6, 1967.

"The American Farm Bureau has as much right being a tax-exempt organization as General Motors does," Congressman Joseph Y. Resnick said today, after revealing that the American Agricultural Mutual Insurance Company, wholly owned and operated by the American Farm Bureau Federation, earned \$574,241 in 1966 without paying a penny in Federal income tax, real estate tax, or investment tax.

Continuing his inquiry into the non-agricultural business ventures of the Farm Bureau, which he has attacked as a "multibillion dollar financial empire that exploits the American farmer, Congressman Resnick expressed confidence that the Internal Revenue Service will soon agree to launch the investigation of the Farm Bureau that he requested last week.

"We have unmasked the Farm Bureau's gigantic insurance operations," Congressman Resnick said. "But we have barely seen the tip of the iceberg. Less than two weeks ago, for example, the two Farm Bureau Mutual Insurance companies in Alabama purchased Eastwood Mall, in Birmingham, for \$10 million. This is the largest enclosed-mall shopping center in the southeastern United States.

"In 1965 the same insurance companies bought the Five Points West Shopping Center in Birmingham for \$5.5 million. In addition, they have purchased a property known as Shades Mountain which is being developed into a fashionable housing subdivision. Mr. J. D. Hays, Executive Vice President of the Alabama Farm Bureau Mutual Casualty Company is quoted in *The Birmingham News* on June 30, 1967 as saying 'We have great confidence in the entire Birmingham district for investment purposes. The potential for future growth is definitely here and we want to participate.' I think the American farmers want to know what all this has to do with them. There are very few farmers in Birmingham, Alabama, the most

heavily industrialized city in the South," Congressman Resnick said.

Congressman Resnick has charged that the Farm Bureau made false statements to the Internal Revenue Service in claiming that its membership consists of farmers and persons "having a major agricultural interest."

"The fact is," he said, "they're not what they say they are. Anybody—whenever he is and wherever he lives—can join the Farm Bureau by buying their insurance. The Farm Bureau has repeatedly refused to publicize a breakdown of its membership. The reason is obvious. By deliberately misrepresenting itself to the Government, I believe they have forfeited their tax-exempt status. Furthermore, the Farm Bureau is engaged in money-making business activities which they have no right to engage in as a tax-exempt organization."

Mr. Resnick said, "the operation of this complex financial empire, much of which is tax-exempt, and therefore paid for by the American people, must be investigated by the Internal Revenue Service. I have asked for the answers to 18 specific questions. For example, can a tax-exempt organization legally own or operate corporations whose funds contribute to political and lobbying activities? Is a tax-exempt organization permitted to operate a commercial organization in competition with tax-paying private companies? Can the Farm Bureau be legitimately considered an agricultural organization, since a substantial part—probably a major portion—of its membership does not consist of farmers or persons having any agricultural interests?"

JULY 14, 1967.

Congressman Joseph Y. Resnick today predicted that the American Farm Bureau Federation will try to block publication of the hearings of the House Agriculture Committee's Subcommittee on Rural Development, of which Mr. Resnick is Chairman.

The New York Democrat said that he based his prediction on a letter from American Farm Bureau Secretary-Treasurer Roger Fleming, a copy of which was sent to every member of the House Agriculture Committee. Resnick charges this letter is "a blueprint for Agriculture Committee action to silence me and prevent further revelations about the Farm Bureau."

Congressman Resnick said, "The letter says 'It has been suggested that the hearings be terminated forthwith and the report of the Subcommittee's hearings not be published.' What it fails to mention is that it is the Farm Bureau that is doing the suggesting since this idea never existed until it came up in their letter."

"As a member of the Committee who received a copy of this letter, I was offended to find myself being told by this powerful lobby how to think and how to act," Resnick continued. "Now that the first aim of the Farm Bureau, the Committee Resolution against me, has been achieved, they will now concentrate on their next goal of squelching the Committee Report."

"This, of course, would serve the broader interests of the arch-conservative Farm Bureau, since the Committee hearings which went on for five weeks, were devoted to a study of living conditions in Rural America. The Farm Bureau has consistently opposed all progressive legislation in this field and, according to its own statement to the Subcommittee, violently opposes all federal legislation intended to alleviate poverty, promote better health, and improve education in our rural areas," he said.

This is the same letter in which Fleming called for the Agriculture Committee to adopt a resolution disassociating itself from charges made by Resnick during recent hearings of the Rural Development Subcommittee.

tee. Forty-eight hours after receiving the letter, the Committee, in a highly unusual action, voted in closed session to adopt such a resolution.

As evidence for his charges, Resnick cited the sequence of events and the "striking" similarity of language between the Farm Bureau's letter and that of the Subcommittee's statement recommending adoption of the resolution.

He said that the letter, which was dated Friday, July 7th was received by all Committee members on Monday, July 10th. Resnick stated that the letter gave the Committee a choice, either to conduct a full committee investigation, or to disown the charges which he made.

"Since the committee members are mostly Farm Bureau members, they were not anxious to conduct any investigation, and so, following the Farm Bureau's script, they took the other option," he said.

The Subcommittee met 24 hours later and issued a statement recommending adoption of the resolution, "the wording of which closely resembles the wording in the letter," Resnick pointed out. The full Agriculture Committee met Tuesday and adopted the resolution.

The Farm Bureau's letter urges that the Committee "clear the record by adopting a resolution in which it disassociates itself from the attacks on Farm Bureau made by Subcommittee Chairman Resnick and by making known to the public at an early date its disposition of this matter."

The Subcommittee statement says, "We sincerely feel that the membership of the House as well as the general public should fully and clearly understand our position in hereby disassociating ourselves, as members of the Rural Development Subcommittee such unwarranted and irrelevant charges against the American Farm Bureau Federation."

Fleming's letter also charged that Mr. Resnick was carrying out a personal vendetta against the Farm Bureau.

"This was the first time that the concept of a personal attack was even mentioned," Resnick said, "and all of a sudden, there it is in the resolution. 'The committee on Agriculture of the United States House of Representatives does in no manner endorse, condone, or support the personal attack launched by the Chairman of the Subcommittee on Rural Development upon the American Farm Bureau Federation.' How in the world can anyone consider an attack on a multi-billion dollar national corporation as personal? It's just a little ridiculous."

Since beginning his investigation of Farm Bureau financial activities on June 21st, Congressman Resnick has so far uncovered a network of 52 insurance companies, with interlocking directorates, whose total assets exceed \$1 billion and whose insurance-income exceeds \$10 billion.

This is in addition to a wide range of other business activities, many of which are tax exempt, including oil refineries, LP gas manufacturing companies, grain storage operations, fertilizer industries, shopping centers and other commercial activities.

Mr. BINGHAM. Mr. Speaker, the information presented to the House today by my able colleague from New York [Mr. RESNICK] is indeed disturbing.

Certainly it would appear that Mr. RESNICK's charges against the American Farm Bureau Federation were serious enough to merit careful inquiry and should not have been brushed aside—as requested by the representative of the federation—by the Committee on Agriculture in a manner which seemed to constitute a rejection of the charges and a rebuke of my colleague from New York.

The gentleman from the 28th District from New York is courageous and outspoken, and he is relentless in his pursuit of the public interest. I am sure that his constituents will recognize his outstanding qualities and will not be misled by hasty and unfair attacks upon him.

A RESOLUTION PROPOSING AN AMENDMENT TO THE CONSTITUTION PROVIDING A 4-YEAR TERM FOR MEMBERS OF THE HOUSE

The SPEAKER pro tempore (Mr. ALBERT). Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 20 minutes.

Mr. HALPERN. Mr. Speaker, today I am introducing a resolution proposing an amendment to the Constitution providing a 4-year term for Members of the House.

Elections would be held in even-numbered years, with one-half of each State's delegation running for office in presidential election years, and the other half in so-called off years.

The amendment would also prohibit Members from seeking or accepting nomination to any other elective office while serving in this House.

The responsibilities which Members of this House are given to discharge continue to grow greater. As the years go by, the volume of legislation and the complexity of the problems faced by Members continue to increase.

More hours must be spent on the floor and in committee, and the 4- or 5-month session is a thing of the past. Being a Congressman is no longer a part-time job, and we can discern a similar trend in our State legislatures.

At the same time, the demands of seeking and retaining office, as distinct from legislative duties, are increasingly preempting the individual Member's time and energy.

Methods of campaigning become more sophisticated and more time consuming. Election pressures prompt constant commuting to the district during the entire session for speeches, appearances at functions of all kinds and perpetual fence mending.

It becomes all too clear that the demands of maintaining office within a 2-year cycle are disrupting our prime legislative function.

The practicalities of the present system demand that almost as soon as a Member is elected, he must start planning for his next campaign. Campaigning occupies many months of the second year of a 2-year term, and if a Member faces a primary contest in the spring, almost all of the second year is taken up with politicking.

The challenge to survival and the many diversions demanded by political activity become, for most of us, a cyclical repetition of enormous strain, which is seriously affecting the exercise of effective legislative action.

I do not for a moment mean to suggest that the duties in the district are not part and parcel of a Congressman's major functions. But I do stress the fact that the people we represent are short

changed when the necessities of political survival hamper good government.

The entire Nation would benefit from a 4-year term. It would mean that a Congressman could get down to the business of government, without being forced to campaign for almost half of his term.

Another important aspect of the question is the fact that the costs of campaigning are reaching a point of absurdity, and most of us must make increasing outlays of cash to overcome frequent opposition.

Some time ago, U.S. News & World Report estimated that the average cost of an individual congressional campaign was \$75,000. I doubt if we can hope that cost will decrease in the future.

It is my feeling that many capable citizens are discouraged from entering political life because the financial demands are prohibitive.

The sad consequence of this is a perpetuation of a climate of political cynicism, and the discouragement of fresh new blood from seeking office.

I should also add that I have seen Member after Member leave the House after a period of service because they could no longer take the pressures and expenses of campaigning every 2 years. We have lost some mighty fine Congressmen that way.

I have also concluded that the 2-year term is one of the elements which indirectly limit the ability of Representatives to fulfill a more decisive role in national affairs.

This has a bearing on the influence and power of the House itself as witness the fact that there have been complaints lately that the legislative branch has lost initiative to the executive. This evolution endangers the traditional balance of Federal power.

Such a trend is understandable, considering the global responsibilities which have devolved upon the United States in the past generation.

Nevertheless, I insist it is still true that Congress can wield powerful leverage if the administration lacks a manageable majority on Capitol Hill.

But, if we are to fulfill a meaningful function in the process of lawmaking, this House must have continuity. Leadership can never be intelligently exercised without it, and the possibility of change every 2 years surely limits continuity.

It is clear to me that if the House is to carry out a really constructive and lively role, we must lessen the burdens and uncertainties which a 2-year term makes inevitable.

Opponents of this amendment contend that a 2-year term must be maintained in order to keep Congress close to the people. I grant this is an important point. In fact, it is the one unquestioned benefit of the present 2-year cycle.

The amendment I propose would guarantee a congressional election every 2 years, so that we would not lose the off-year mandate. It is important to preserve a channel of expression of public opinion in off years, and we can do that by having half of each State's delegation elected in alternate biennial elections.

Thus, we can still give the people the

opportunity to express approval or disapproval every 2 years, while establishing a 4-year tenure for Members of this House.

I am also convinced that the 4-year term would give the electorate a chance to maintain better perspective in making decisions at the polls. The congressman's record during a longer term would be easier to analyze and evaluate.

There would be far less chance of elections being decided on the basis of some temporary emotional flare-up over a momentary issue. Such flare-ups would be more likely to cool off in 4 years, leaving more room for reasonable, thoughtful judgments.

I certainly respect and honor the right of any individual to vote against me, but I would like to have his vote based on my record, not on an issue distorted by emotion.

Mr. Speaker, my experience convinces me that the voters' interests—hence, the national interest—are being compromised because Members of this House are increasingly overburdened with the tiring, time-consuming and expensive business of fighting for office every 2 years.

The problem will become more critical as our Nation's population increases, and our domestic and international problems become more complex. We can wait no longer to make this vital change.

ISRAEL AMBASSADOR HARMAN CALLS FOR ARAB CHANGE OF POLICY TO INSURE PEACE IN NATIONAL PRESS CLUB ADDRESS

THE SPEAKER pro tempore (Mr. ALBERT). Under previous order of the House the gentleman from Ohio [Mr. FEIGHAN] is recognized for 15 minutes.

Mr. FEIGHAN. Mr. Speaker, it was my privilege today to be an invited guest at the head table at the National Press Club luncheon to hear a very stimulating address by Ambassador Avraham Harman of Israel.

The Ambassador, in his prepared text, stated:

The road to peace in the Middle East is the same road as for peace in the world—it is the road of harmony in diversity—the search for common constructive interests.

Before a crowd of 300 members, National Press Club president, Mr. L. David LeRoy, Capitol Hill correspondent for the U.S. News & World Report, conducted a question and answer period which elicited newsworthy answers which revealed for the first time that the Government of Israel has already officially notified the Government of the United States that it will indemnify the United States for the losses sustained by the unfortunate attack on the U.S.S. *Liberty*; that on the day that the city of Jerusalem was unified, Prime Minister Eshkol had in his office a representative of every faith that has a holy place in Jerusalem. On that first day Prime Minister Eshkol informed these representatives that the Israel Government wanted each and every representative of the faiths to supervise their own holy place.

Under leave granted, I include the address of Ambassador Harman:

ADDRESS BY AMBASSADOR AVRAHAM HARMAN OF ISRAEL BEFORE THE NATIONAL PRESS CLUB, WASHINGTON, D.C., JULY 18, 1967

It is to the root causes of the situation in the Middle East that world statesmanship must address itself at the present time. The goal of peace and stability in the Middle East region cannot be attained by an artificial and unrealistic attempt to move backwards to belligerency. If the Middle East is to be insulated from the prospect of further danger to its own peoples and the world, it must move forward to a durable peace based on the mutual recognition by all the States in the area of their right to exist and the replacement of belligerence by genuine peaceful co-existence.

The root causes to which the world must address itself are:

(1) The refusal by the Arab States to acknowledge the existence of Israel, except for the purpose of seeking to eliminate it.

(2) The refusal, therefore, by the Arab States to move the armistice system forward to peace as the Armistice Agreements specifically provided.

(3) The assertion by the Arab States of the rights of belligerence contrary to the Armistice Agreements, the resolutions of the Security Council and the Charter of the United Nations.

This assertion of belligerence results in the warlike acts: the blockade of the Suez Canal and the Straits of Tiran to Israel shipping. Similarly it led to a diplomatic and economic offensive against Israel.

(4) In pursuance of the doctrine of belligerence the Arab States, particularly since 1955, embarked on an arms race at the expense of the economic welfare of their people.

(5) Since 1964 the real discussion in the Arab world was between the doctrine of a continuous day-to-day military confrontation with Israel of a guerrilla commando type, the doctrine of gathering strength necessary for the knockout blow against Israel. The discussion centered on method and not on aims.

(6) The use, or rather the abuse, of the Arab refugee problem as a political instrument in the war against Israel and the blocking of every serious proposal for dealing with the Arab refugee problem on a humanitarian basis.

These policies culminated in the action taken by the United Arab Republic between May 14 and June 5, 1967. These actions removed the three pillars upon which the relative quiescence of the Middle East rested during the ten year period 1957-1967. These pillars were:

First, unrestricted freedom of passage through the Straits of Tiran;

Second, the virtual demilitarization of the Sinai Peninsula and the avoidance of a confrontation between Egyptian and Israeli forces on the Sinai border;

Third, the insulation of the Gaza Strip from use for the purposes of commando raids against Israel, with the use of the United Nations Emergency Force as the symbol for this.

After the 14th of May events developed rapidly. The United Nations Emergency Force was peremptorily withdrawn at the United Arab Republic's request, massive Egyptian forces were building up on the Egyptian border, the Straits of Tiran were blocked and UNEF positions on the Gaza Strip border were taken over by the Palestine Liberation Army.

The real issue now before the United Nations is whether there can be an acquiescence in the assertion by Member States of the rights and practices of belligerence. The road to progress in the future depends upon the immediate application of the Charter for the demand that this assertion and the practices emanating from it must cease without delay.

Insufficient attention has been paid to another grave consequence of the Arab position during the past 19 years. A principal victim of the doctrine of non-recognition of Israel and of the policy of hostility and belligerence has been the absence of any regional Middle Eastern organization or development. While the heavy emphasis on the arms race has diverted vital resources from economic development to war preparations on the part of the Arab countries, it has equally blocked the vitally needed effort to develop regional projects for the effective use of water, planning of communications, the movement of trade and the growth of international travel and tourism. Thus, the people of the area have been doubly deprived. There has been a diversion of resources from development to military expansion and a denial of the numerous advantages that would result from effective regional cooperation in all areas. The principal suffers from this policy have been the Arab refugees whose economic integration into the area would otherwise have been speedily possible.

It is this analysis of the past 19 years which must point the way to the course to be followed in the future. The States of the Middle East must take their destiny into their own hands and consult the interests of their own peoples. It is not enough for an Egyptian newspaper to say that it was a tactical propaganda mistake for the Arabs to proclaim the goal of Israel's elimination. What is needed is a change of policy. It is not enough for an Arab State to take the tactical position that an Israeli withdrawal must first be attempted by political means before military means are used. What is needed is an affirmative decision to withdraw from the doctrine and practice of belligerence, and to view the future of the Middle East and of its peoples in terms of positive cooperation. The road to peace in the Middle East is the same road as for peace in the world—it is the road of harmony in diversity—the search for common constructive interests.

This is the view which Israel has been pressing and will continue to advance as a policy for the solution of the problems of our area. This is what is needed by the peoples of the Middle East. This is the effective contribution which the Middle East as a whole can make to the peace of the world.

Finally, a word about the Israel doctrine of direct negotiations. It is said that this is unrealistic. The record is that the only progress that has ever been made in the Arab-Israel situation has been the product of direct Arab-Israel talks. The further record is that where a body has been interposed between the Arab States and Israel, the Arabs have used that body not in order to create a link but in order to perpetuate an absence of communication. If it is agreed that the Charter calls for the pacific settlement of disputes between States, the practice of direct negotiations is not only not unrealistic—it is the only certain and effective method for progress.

THE JEWISH STAKE IN VIETNAM

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. MULTER. Mr. Speaker, the Jewish stake in Vietnam is a very vital one, for wherever communism gains control, the Jew is denied his religious freedom and

in effect his existence as a spiritual human being.

Meir Kahane, chairman of the American Jewish Friends of Vietnam, has written a thorough and informative series entitled "The Jewish Stake in Vietnam."

I commend to the attention of our colleagues Mr. Kahane's series, which appeared in the Jewish Press from April 7 to June 2, 1967.

The series follows:

THE JEWISH STAKE IN VIETNAM (By Meir Kahane)

(United States forces are today fighting in Vietnam to check Communist aggression. All Americans have a stake in this grim war but Jews have a very special interest in the successful outcome of this struggle. For, wherever the Communist machine achieves power, not only are political, social and economic rights swept away, but spiritual persecution is inevitably and mercilessly practiced. Because of this, it is vital that the Jew realize the danger to his very survival as a free human being should Communism ever achieve victory. The Jewish Press, in line with its policy of alerting America to the dangers of totalitarianism from Right and Left, is beginning a comprehensive series on The Struggle For Freedom In Vietnam. The writer of the series, aside from being a regular contributor to the Jewish Press, is also chairman of the American Jewish Friends of Vietnam and an expert on Communist threats to democracy and religious freedom.)

RELIGION IN VIETNAM

As in the case of Korea, the most vigorous and unified religious group in the state of Vietnam was that of the Christians, the Catholics in particular. In an Asian country, they made up 2,400,000 people of a total population of 25,000,000 prior to the division of the country in 1954. This was almost 10% of the total and made Vietnam the Asian state with the second largest population of Catholics.

Because of this, the Vietnamese Communists moved slowly and carefully. In line with the general policy of Ho Chi Minh, which was to soft-pedal his true aims so long as he had need of the non-communist forces in the fight against the French, Catholics were not treated harshly. As the communists consolidated their power, however, things began to change.

During the struggle for independence against the French, there were at least two incidents of violent massacres perpetrated by the Communists against Catholic villages in Thai Binh province in the Red River Delta. It was reported at Cao Mai, 180 Catholics, including women and children, were burned to death in the village church after the French refused to surrender.

In 1951, as the fighting against the French grew in intensity, a certain irrigation network was severely damaged by French bombs. The Communists, in this period of time, were engaged in a double war. The first was against the French colonial regime. In this, they were hardly the only Vietnamese group struggling for freedom. There were numerous other nationalists who sought independence also and they were persuaded by Ho Chi Minh to join with the Reds in a united front to be known as the Vietminh. In this framework, Ho fought his second war—to eliminate the strongest forces within the non-communist groups. With the French bombing, Ho saw a great opportunity to accomplish a major part of his second aim. Claiming that the bombing was a result of a "conspiracy by traitors" the Communists singled out their most feared rivals in every province. Among them were the most senior Buddhist monk, the Catholic Bishop and the most influential Confucianist. Public trial were held during which the defendants were allowed no counsel. There were

only "defenders" who demanded severe punishment for these "ring leaders."

Hoang Van Chi was a non-communist member of the Viet Minh. He believed the Communists at first and he saw the trials. He described them in part as follows:

"Trials were public which meant they were attended by delegations of party members, one from the villagers' and another from workers' organizations. The delegates were granted at least two weeks to memorize all the slogans they would be required to shout..."

THE GENEVA AGREEMENT

The Catholics realized what the Communists had in store for them. Thus, when the fighting between the Viet Minh and the French came to an end within the signing of the Geneva Agreement in 1954 and Vietnam was to be divided into North and South at the 17th parallel, the Catholics knew what they had to do.

Under Article 14d of the Agreement, all civilians who wished to move from one zone to another were given 300 days to do so, from July 22, 1954 to May 1955. The Communists agreed to this, little realizing what would happen. To the chagrin of the Reds, 819,131 refugees requested to be transferred to the South while only 4,792 asked to be moved North. It was a crushing propaganda blow to the Communists as the refugees—mainly Catholics escaping religious persecution—chose freedom over Red tyranny.

The Communists now used all means available to prevent the departures, Ba-Lang, a Catholic village in Thanh-Hoa province served as a departure point for refugees going South. On Jan. 20, 1955, 700 youths were arrested and taken away; their final destination was never disclosed. Four other youths were executed on the spot and seven persons, including one woman, were given life terms for opting for freedom. On Jan. 25, 1955, Viet Minh troops killed 12 villagers in the town of Luu-My. The bishopric of Phat-Diem was blockaded for weeks in an attempt to dissuade villagers from leaving for the South.

Many people were arrested for advocating evacuation. They were tried by People's Courts and either sentenced to forced labor or sent to concentration camps. Still another device was the creation of the movement called "training to foil the intrigues of the propagandists for the exodus toward the South." These were entrusted with:

- 1) Preventing the sale of real estate, livestock, rice fields belonging to emigrants;
- 2) Inciting inhabitants to refuse hospitality, ferry-crossings and truck and barge transportation to departing people;
- 3) Encouraging inhabitants to spy on each other and to denounce all attempts to escape;
- 4) Dispersing those who want to contact the ICC (The International Control Commission whose job it was to supervise the carrying out of this Agreement's provisions—ed.);
- 5) Outwitting the ICC teams whenever possible;
- 6) Arresting suspects, leaders, petitioners and taking action against them for imaginary crimes;
- 7) Increasing the obstacles in the process of issuing permits.

A radio dispatch from Hanoi at the time showed all too clearly how the Communist cadres and the Red authorities were moving heaven and earth to prevent communication between the Catholic masses and the priests:

"One hundred and eighteen priests are held prisoners by the Communist Vietminh, according to mission authorities in Vietnam. Their information is delayed, perhaps incomplete. It is possible that some of the priests are dead. The Geneva Agreement calls for the release of all civilian as well as military prisoners by August 20.

"One hundred and two priest-prisoners are

Vietnamese; one is a Laotian; 15 are foreigners . . .

"In the Vietminh areas, priests not imprisoned are restricted in their movements. They are usually confined to one village, sometimes to just the church premises.

"Of the four Bishops in the Vietminh area at the time of the cease fire none is free. One is imprisoned and the other three have been removed from their residences and virtually interned . . ."

The reason for the mass exodus of Catholics was stark and simple: Religious persecution. In particular, there was involved the fate of Catholic children who were not only barred in all ways from meaningful religious education but who were taught to despise their religion in the schools. Thus, according to the National Catholic Welfare Conference's, "Terror In Vietnam":

"The Communist Vietminh oblige Catholics to attend classes in atheism. They forbid the teaching of catechism to Catholic children . . . Communists from other places conduct classes that all must attend . . . The instructors call the Mass a 'joke' and deny the existence of G-d, heaven and hell . . . If you refuse to take notes or to agree with the instructors during discussions you are 'reactionary.' The Catholic primary school was the only one in the district. The Vietminh took it over and teach the children straight Marxism. . . ."

Little wonder that over 800,000 people defied the Communists and endured all manner of pressure and torture for the sake of freedom. One particular village stands as a stark example of this. It was the village of Thuong Phuc in the Thai Binh province and we will tell its story next week, please G-d.

[From the Jewish Press, Apr. 14, 1967]

THE JEWISH STAKE IN VIETNAM

(By Meir Kahane)

THUONG PHUC

The Geneva Agreement had provided for free and unfettered emigration from either zone. According to Article 14d:

"From the date of entry into force of the present agreement until the movement of troops is completed, any civilians, residing in a district controlled by one party, who wish to go and live in a zone assigned to the other party, shall be permitted and helped to do so by the authorities in that district."

The right of option was to last for 300 days, from July 22, 1954 to May, 1955. The story of the Catholic village of Thuong Phuc is an example of the sanctity of a Communist promise, especially as it relates to religious freedom.

LIFE UNDER THE VIETMINH

The three thousand Catholics of Thuong Phuc had lived under Vietminh (Communist) rule since April, 1952. From the start the Red regime had shown what they might expect under the Marxist banner. They arrested the assistant priest, Father Dominic Khang, twice. He had to leave in May 1953. The parish priest, himself, was not allowed to attend sick calls outside the village. The dying could receive Catholic Sacraments only if they were carried across country to the church. In order to attend Mass one had to be issued a pass by the Communists. At all meetings, Bishops and priests were scornfully attacked.

When news of the Geneva Agreement was received the people reacted joyfully. Here was their opportunity to flee tyranny and worship as they wished. Taking advantage of the Agreement they informed the authorities that they intended to exercise their right to emigration. It was planned to leave after 7 o'clock Mass August 15.

As the thousands gathered outside the church Communist cadres ordered them to

wait for a meeting. For over an hour, the Vietminh harangued them, using all possible arguments to dissuade them from departing.

The people were unimpressed and unbending. They had made up their minds and they had chosen freedom. They went home, got their little bundles and set out with their priest, Father Thiep, at the head of the column. Men, women and children trudged down the road, every step taking them closer to freedom.

THE FIRST ATTEMPT

A short distance from the main village, the marchers stopped short. There, barring the road, were 500 armed Vietminh soldiers waiting for them. Dominic Tap, 58 years old, was beaten with guns. Eleven other men were thrown to the ground and their arms bound tightly behind them. The priest was marched back to the village under armed guard.

The people looked at each other. What should they do now? About one thousand of the villagers turned and walked slowly back to the tyranny that would be their lot. The rest decided to go on.

After awhile, the Vietminh, realizing that the International Control Commission which had been set up to supervise the free movement of refugees, knew about the village's choice, had to unbind the eleven prisoners. The column, smaller than before, moved on.

MORE OBSTACLES

For the next four days, the column of men, women and children was harassed by the Communists. They struggled on against threats and of violence.

Twice armed soldiers tried to stop them. At a former French outpost guards put a barbed wire barrier across the road to prevent them from passing. They left the road and pushed into the flooded rice fields to bypass the barrier. Even women, carrying infants over their heads, went through the breast-high water.

When they reached Vannam, they sought out the ferryman to carry them across the river. The Vietminh intervened and forbade the boatman to do so. At this, some turned back. The rest continued on foot to Ninh Giang where they were able to hire boats.

They were across the river and within reach of their goal. For here were motor vehicles going to Haiduong in Free Vietnam. They eagerly began to pay their fare and about 200 succeeded in getting on the vehicles before the Communists suddenly appeared and forbade the rest to get on.

THE LAST PART

There were only about 600 left now. These set out on foot toward Dienan. There was the boundary line, the divider between freedom and tyranny. There was only one obstacle. The boundary was a river—a wide river.

When they arrived, the Communists were waiting. They had already forbidden the boatman to take any of them. The refugees were forced to spend the next two nights on the river bank.

Five Vietminh now appeared and attempted, through all means, to persuade them to return to their village. One threatened to take away the babies from their mothers. The refugees stood firm.

Father Khang, the former assistant priest, who was now in a refugee camp nearby in the free zone across the river, heard of the plight of his former parishioners. He tried desperately to find means to get the people across but could only find one row-boat which he brought by truck to the river.

On the morning of August 19, Father Khang and his helpers started ferrying refugees over but only a dozen could fit in the boat at a time. It was only after the third crossing that nine large boats appeared which carried the rest of the people to freedom.

This was the story of a village of people who sought to worship in their particular

way. Let it be remembered that only 600 of the original 3,000 found freedom. The rest remained behind, forced by threats, coercion and force. They were not the only ones to remain behind against their will. Stories of violence and pressure against refugees are too numerous to mention. The Red regime in Hanoi was determined, not only to crush religion, but to prevent its adherents from finding a refuge.

RELIGION TODAY

To be religious in Vietnam today is to suffer all the excesses of Marxism. The usual puppet "patriotic" church has been set up according to Gerard Tongas, "to be a party to all the exactions of the regime of whom they are servants, and particularly to attempt to prove that Catholicism and Communism can form an excellent marriage."

The real position of the Church, however, is described by the late expert on Vietnam Bernard Fall who wrote:

"(Recent policies include) arrest of priests and the faithful, confiscation of church property, interdiction of correspondence with church authorities located outside the territory of the Republic, excessive taxation of church land and buildings, etc."

In a word, what North Vietnam aims at doing to its own people and those of South Vietnam should it ever succeed in defeating us may be gathered from the words of Truong Chinh, former Secretary General of the Vietnamese Communist Party and Vice Premier of North Vietnam:

"The aim of the present revolution is that the entire people . . . should thoroughly absorb the Socialist (i.e. Communist) ideology, that they should abandon their previous outlook on life and on the world and replace it with a Marxist viewpoint."

[From the Jewish Press, Apr. 21, 1967]

THE JEWISH STAKE IN VIETNAM

(By Meir Kahane)

VIETNAM AND ISRAEL

Readers of the Christian Science Monitor of March 29, 1967 were startled to find in its "Focus on Middle East," the following item:

"There's more Middle East liaison between the Viet Cong and the Palestine Liberation Organization (PLO) of Ahmed Shukairy."

"The Cairo Mission of the Viet Cong (Vietnam National Liberation Front) is the largest and most active in the area. Its members have met with Palestinian Arabs to arrange for combat training in North Vietnam for Shukairy followers."

"A first contingent of PLO men has already returned to bases in Syria from training in Communist China. And the latest development is agreement for a Viet Cong mission in Syria, main base of PLO activity against Israel."

Startling to many, it is true, and undoubtedly upsetting to those circles which tend to paint the Viet Cong as a hapless and harassed group seeking to bring agrarian revolution and reform to South Vietnam which is under a military dictatorship and feudal heel.

There is certainly little doubt that it must have caused some soul searching among those Jewish circles—American Jewish Congress in particular—who have rejected the morality of the United States presence in the battle for Vietnam's freedom and called for a non-reciprocal halt to bombing of the North and recognition of this very same Viet Cong as a legitimate party and its inclusion in a coalition government in Saigon.

It has not been so startling, however, to the hard core experts on Vietnam, who have recognized from the beginning that the Peking-Hanoi axis includes the Vietcong in its bitter determination to spread totalitarian Communism throughout Asia and which has offered countless examples of its refusal to recognize not only the government

of Israel but the very right of existence of the Jewish State.

NOT A NEW DEVELOPMENT

The romance between the Arabs, under the Jew-hater Ahmed Shukairy, and the Viet Cong is part of a close liaison between the Arab and the Chinese Communists (This attachment was touched upon in previous articles in the Jewish Press).

It deserves a little closer study.

As early as October, 1964, Shukairy had declared in Damascus that "since the doors of the West are closed to us" he would send delegations to Moscow and Peking for help to his Palestine Liberation Organization.

These were not empty words since in May of that year Soviet Premier Nikita Khrushchev had already assured Russian support for a "just solution of the Palestine problem" (one, of course, needs little imagination to discover just what "just" means).

Unfortunately, for Shukairy, however, Russian support was limited, for the most part, to declarations. It is true that Soviet arms were reaching the PLO but they were not new arms nor were they being sent directly by the Soviet to Shukairy. Most of the weapons were being supplied to the Palestinians by Presidents Nasser and Aref of Egypt and Iraq, respectively, and these were being withdrawn from their stockpiles of Soviet arms as Moscow sent newer types.

Worse, Moscow—in the midst of a bitter ideological dispute with Communist China—was, apparently unwilling to disturb the status quo in the Middle East through war, an event that might lead to a confrontation with the West. This hardly set well with the adventurous Shukairy. As he is reported to have told Premier Alexei Kosygin on his visit to Egypt in 1966:

"I want to make clear to you that the Tashkent formula (the one that settled the Indian-Pakistan dispute peacefully—ed.) does not cover the dispute between Israel and the Arab states."

TO CHINA

At the time that Shukairy made this statement he had already—for two whole years—realized that his hopes lay in Peking and not in Moscow and had been actively forging political and military bonds with Mao Tse-tung.

Thus, we find, that on March 25, 1965, an agreement of friendship and cooperation was signed in Peking between Chou En-lai, premier of Red China, and Shukairy. Upon signing, Chou took it upon himself to describe those who were opposed to the Arab adventure as "the unholy trinity of U.S.A. imperialism, West Germany militarism and Zionism."

None other than the Prophet Mao Tse-tung himself, he of the new religion of Maoism, hailed the past as an "historic document extending revolutionary recognition to the Palestine Liberation Organization." Immediately, a PLO office was opened in Peking with the announcement that "the Chinese People's Republic can give a great deal to the Palestinian people."

CHINESE SUPPORT

That they could—and did. In June, 1965, the Cairo magazine *AL Mousavar* quoted Chou En-lai as saying that China "supports the Arab claim unreservedly." For a list of unreserved Chinese declarations in support of the Arabs, one need only look at the above-mentioned Jewish Press article in a previous issue to see the complete backing of China for the physical destruction of Israel.

The danger posed by the Chinese-Arab alliance was recognized by Vice President Hubert Humphrey in a speech to the American Jewish Press Association on June 8, 1966, in which he said:

"There is a militant type of Communist action at work in the Middle East, much of

it directed from Peking. Communist China seeks to infiltrate, to assist, to generate more trouble in the 'Palestine Liberation' movement."

SHUKAIRY AGREES

Shukairy hastened to agree as he delightedly confirmed all this a few days later with the announcement that the Arabs "receive arms from the Chinese People's Republic; the PLO has military officers being trained in the arms of liberation and the experience of the Chinese." At the same time reliable reports told of Chinese arms deliveries that included rifles, pistols, grenades and bazookas. (A military parade in Gaza in 1966 prominently featured Chinese arms and armor with inscriptions such as "To Jaffa.")

In Israel, too, the doves and wishful thinkers were stunned and sadly enlightened—too late. The Tel Aviv daily *Hayom* puzzled over the Chinese hostility as it wrote in June 1966:

"Eighteen years ago, when they gained power in China, they requested and immediately received official recognition from Israel. They agreed to the establishment of diplomatic relations... and suddenly withdrew from their intention and later also from their recognition of the existence of our state..."

"They are, admittedly, geographically distant from Israel... but the stronger China becomes, and the nearer it physically approaches the Middle East by widening its intervention in southeast Asia—the greater and more serious is the danger to us from that direction."

Consider the words, for they go to the heart of the Jewish stake in Vietnam. A China and its allies devoted to the physical destruction of the Jewish state together with its population. With every victory it gains in Asia, it moves closer—physically and psychologically—to Israel. With every nation, presently a buffer and a barrier between Israel and the Communist terror, that falls beneath the Red heel, the danger increases to the lives of two million Jews in Israel.

Make no mistake. The Viet Cong are as one with Peking in their bitter hostility to Israel. This we shall see, Please G-d, next week.

[From the Jewish Press, Apr. 28, 1967]

THE JEWISH STAKE IN VIETNAM

(By Meir Kahane)

AHMED SHUKAIRY AND THE VIETCONG

Just one day after Vice President Hubert Humphrey had spoken out against "a militant type of Communist action at work in the Middle East," Ahmed Shukairy, the volatile and fanatic head of the "Palestine Liberation Organization" defiantly proved the point.

On several occasions during the first week of June, 1966, Cairo Radio, which lends its facilities to the PLO, broadcast announcements by the terrorist organization that it would send some of its men to Vietnam to "fight alongside the Vietcong against American imperialism."

It was an amazing announcement. Until that point not one non-Communist government or group had gone to such lengths. Indeed, not even the other Communist countries had gone so far as to do more than promise "volunteers" if and when they were asked to do so by the North Vietnamese. In any case, whether the announcement was one of substance or merely a symbolic gesture the alliance between the Arabs and the Vietcong was launched.

VIETCONG ASSISTANCE

There was little doubt that the Vietcong would be of more help to the Arabs than the other way around. Despite this, the Vietcong eagerly and completely backed the extreme Arab position vis-a-vis Israel and it was they—not the Arabs—who initiated the alliance.

Early in 1966, the Cairo radio announced that Chairman Nguyen Huu Tho, of the Central Committee of the National Liberation Front of South Vietnam (the Vietcong) had cabled Shukairy to the effect that his group "wished the Palestine people further success in their struggle against Israel, the aggressive tool of imperialism and the realization of their hope of returning to Palestine."

Shukairy was delighted. He thanked the Vietcong and "on his own behalf and that of the Palestine people" expressed his "sincerest wishes to the Vietnamese people in their struggle to liberate their homeland from American imperialism."

DAYAN VISIT

It was six months later that the joint struggle against "American imperialism" ripened into its first concrete action—Shukairy's announcement of the sending of PLO soldiers to fight alongside the Vietcong.

Shukairy attempted to justify the move by pointing to the trip of Knesset Member, Moshe Dayan, former Israeli Chief of Staff, to South Vietnam to report the war for the daily newspaper, *Maariv*.

According to Shukairy, Dayan's real purpose in going to Saigon was to study "guerrilla warfare so that Israel can be ready to meet such an eventuality." In righteous indignation, the Arab leader declared:

"We are going to learn alongside the Vietcong how to launch guerrilla warfare against Israel."

IMPORT OF STEP

There is little doubt that, if the PLO did in fact send any men to Vietnam to fight with the Communists against United States forces, the number was minute and of little importance. What is serious about the ties between the Arabs and Vietcong is the fact that the Communists have demonstrated once again their total backing for the Arabs and, in choosing Shukairy for this aid, their agreement with the most extreme Arab position—the one that refuses in any way to recognize the very existence of the Jewish State and which calls for the physical destruction of the nation.

More, it is clear that should the day come when the Vietcong, North Vietnamese and Chinese Communists are free to divert time, energy and sizeable assistance to the Palestine Arabs, they will do so. On the day that Chinese internal problems are relaxed they will send technicians and experts as well as arms and volunteers to aid the Arabs against Israel. Should the United States fail to defeat the Vietnamese Communists they, too, will join in all possible aid to the Arabs.

U.S. AID

The announcement by the Arabs that they would aid the Vietcong spotlighted another serious—and absurd—problem. The bulk of the "Palestine Liberation Army" is composed of Palestine refugees who receive rations, education, medical supplies, job training and agricultural seeds from the United Nations Relief and Works Agency (UNRWA). The nation that supplies more than two-thirds of the funds for UNRWA is the United States. Suddenly, our government was faced with the realization that between 10-14,000 Arabs who were enlisted in the "Palestine Liberation Army" which had thrown itself totally behind the Vietcong that was killing United States troops, were receiving funds for their sustenance from that very same United States.

Even before the Shukairy announcement, the Senate Subcommittee on Refugees has demanded that soldiers of the "Liberation Army" be stricken from the UNRWA rolls, saying:

"It is incompatible with U.S. policy and with the fundamental concept of the U.N. to supply aid in any way to members of any army whose purpose is to work against a member nation of the United Nations."

The United States State Department, how-

ever, did not find it necessary to back the Senate's view. It was only when the Arabs came out with their backing of the Vietcong that State urged UNRWA to "remove from the Agency's relief rolls all refugees undergoing military training."

As an Israeli paper put it:

"Apparently Shukairy's arrogant announcement that he would send soldiers to help North Vietnam was needed for the U.S. State Department to wake up to the distribution of food through the U.N. to the levies of the 'Palestine Liberation Army' and demand energetic action for its cessation . . ."

The Palestinians are still receiving their aid from the U.N. and the United States, however. And the Vietcong-Arab political and military marriage is blossoming. Let all who fail to recognize the danger of the Communist North Vietnamese and their creature, the Vietcong, ponder the words of a visiting Vietcong delegation to Syria which, after denouncing Israel as an "imperialist and colonialist prop" in the Middle East, called the Arab battle against Israel "similar to the struggle of Vietnam against American aggression; The two peoples are facing a mutual enemy."

If this is what the Arabs and Vietcong think, the converse is surely true. Their enemies—Israel and the United States—whom the Palestine-Vietcong allies face, must surely recognize the justice and truth of each other's common struggle.

[From the Jewish Press, May 5, 1967]

THE JEWISH STAKE IN VIETNAM

(By Meir Kahane)

Last September, the American Jewish community was rocked by a report that President Lyndon B. Johnson had complained about many of its members. The complaint? Mr. Johnson had allegedly been puzzled as to why many influential Jews were prominent among critics of his Vietnam policy, especially since he knew Jews to be compassionate and extremely well informed in foreign affairs, opposed to Communism and eager to see the United States fulfill its commitments to small nations—such as Israel.

As expected, the prestigious Jewish groups rose in righteous anger. Why had Jews been singled out? How could the President speak of "the Jewish community" when there was no consensus in it? Was Mr. Johnson threatening to withhold aid to Israel unless American Jews backed his policy in Vietnam?

It took a special conciliation meeting with Ambassador Arthur Goldberg to mollify the indignant leaders. Even so, there were some who gave vent to their continued indignation, such as Dr. Israel Margolis of Temple Beth-Am, who called Mr. Johnson's comments "malicious and misleading". Let it be parenthetically noted, that Margolis, a Reform clergyman, was one of those whom Mr. Johnson, undoubtedly had in mind when he made his statement, and that, in the very same speech that criticized the President, Margolis added that "no valid case can be made, certainly no moral vindication can be offered, for our unilateral intervention . . ."

What prompted Mr. Johnson, a longtime and proven friend of the American Jew and one who had proved to be a far stauncher friend of Israel than any other chief executive since Harry Truman, to say what he did? More to the point, what did he really mean?

To begin with, Mr. Johnson had, obviously not made aid to Israel dependent on Jewish backing of his Vietnam policies. What he was really saying was said even more explicitly by Malcolm A. Tarlov, national commander of the Jewish War Veterans, later that same day. If the U.S. does not live up to its commitments in Asia, which are expressed in formal treaty obligations such as that of the Southeastern Treaty Organization, said Tarlov, American Jews "cannot expect" America to live up to its commitments in the Middle East "which are not as strong."

It was a question of morality that Mr. Johnson was posing. The point being made was not blackmail but ethics and Jewish self-interest: It was not only proper, Mr. Johnson was saying, for the United States to defend Israel because she was a small nation beset by aggression exactly like Vietnam but it was to the interest of Israel and her Jewish backers to pray that the United States consistently clung to that policy.

Nor was the President singling out the Jews as a community. He knew that the vast majority of ordinary Jews backed him and understood his policy. What did upset him was that certain leaders—the professional Jews, to use my own term—had been critical of him. If anything, Mr. Johnson's puzzlement was a compliment to a group that he considered compassionate because of its own suffering and well-informed because of its dedication to education and learning. (After all, did not the Wayne, New Jersey Jewish community proudly acknowledge the fact when it was accused of devotion to education?)

The fact of the matter is that certain professional Jews—almost always either secularists or Reform—have spoken out against United States policy betraying their lack of information and understanding about what is really happening in Vietnam. Mr. Johnson and all Americans know, of course, that many people from all religious groups have joined in this protest of the war too, but the President might have expected more from us.

SOME EXAMPLES

Among those whom Mr. Johnson probably had in mind were such as Dr. Maurice Eisendrath, president of the Union of American Hebrew Congregation (Reform) who was quoted as having spoken before the UAHC's Pacific Southwest Council and compared President Johnson with Attila the Hun! If true, the remark is not only obscenely stupid but a clear indication of Eisendrath's ignorance and/or intellectual dishonesty. (Let it be indicated that one president of a Reform temple present at the meeting indignantly rose to take exception to Eisendrath speaking in the name of Reform. He was heartily applauded.)

Eisendrath, an influential Reform leader, had made his opposition to the war clear much earlier. In January 1966, he and 30 other Reform rabbis had announced plans for a "militant" peace campaign and, along with another leading opponent of the war, Dr. Jacob Weinstein, president of the Reform spiritual group, Central Conference of American Rabbis, he had helped push through a resolution critical of the war at the 77th annual meeting of the Central Conference.

At that convention, Weinstein declared: "We have now brought the deeply-felt discontent and resentment with this war to the sticking point so that men running for elective office are aware of it." Weinstein is also a member of the war-opposed Clergy Concerned About Vietnam.

In addition to the certain Reform clergymen, the tiny but extremist Reconstructionist group, founded by Mordecai Kaplan, split with President Johnson on the war last January and called upon him to "concentrate upon ending the war rather than winning it."

ORTHODOX SUPPORT PRESIDENT

On the other hand, it is the Orthodox community which has vocalized true American Jewish sentiment. Many Orthodox Jewish groups and individuals have spoken loudly and clearly in support of United States efforts in the war and in understanding of why we are there.

Thus, the Rabbinical Alliance of America, one of the leading Orthodox rabbinical groups, declared in January: "The Rabbinical Alliance . . . wishes to reiterate its policy of full support of the Government's policies in Vietnam."

Similarly, the Rabbinical Council of America's president, Pesach Z. Levovitz, last July 9, criticized some segments of the religious and intellectual community for constantly prodding Washington to find a way for peace.

"This is not the road to peace," he said. "If we are to be successful in securing peace in Southeast Asia, we must apply equal pressure on Hanoi, Peking and Moscow."

He was joined by Moses I. Feuerstein, president of the Union of Orthodox Jewish Congregations of America who said that "the Orthodox Jewish community supports the Administration's policy in Vietnam."

Orthodoxy can, of course, be proud of its strong and consistent support of freedom as embodied in the policies of President Johnson. But a vociferous minority still opposes the war and continues to act the role of the blind leading the blind. Foremost among these is the American Jewish Congress.

[From the Jewish Press, May 12, 1967]

THE JEWISH STAKE IN VIETNAM

(By Meir Kahane)

THE AMERICAN JEWISH CONGRESS

Perhaps the leading Jewish critic of American policy in Vietnam continues to be the American Jewish Congress. On April 29, 1966, this truly amazing group that seems to have a penchant for taking anti-Jewish stands on so many crucial issues, issued a statement of position in the form of a resolution at its national biennial convention. Eventually, this was published under the title, *Where We Stand*.

Instead of recognizing the imperative need for United States intervention and for the defeat of the aggressor, the AJC took the following position:

"The AJC views with growing alarm the course our national policy in Vietnam is continuing to take. The dream of the Hebrew prophets was the eternal peace, of a world in which men would turn their swords into ploughshares and nations would not learn war anymore. Through the ages, the Jewish people have longed and worked for the fulfillment of the dream of peace.

"We therefore urge our President to suspend indefinitely our bombing of North Vietnam. As a corollary we view all initiatives which would escalate the war with alarm and apprehension."

Since that time the AJC has moved onward and upward, its protests growing shriller, its self-rectitude growing surer. Last year, N.Y. Times correspondent, Harrison Salisbury, disclosed that some civilian casualties had occurred during our bombing of the North—a bombing, let it be noted over and over again—that has been remarkable for the scrupulous care that has been taken, often at great risk to the pilots and men involved, to avoid any non-military targets. Let it be remembered, too, that in the bombings of Nazi Germany and Fascist Japan the same care had not been taken in regards to civilians (12,000 had died in one raid on Dresden, Germany), and at that time—and to this day—no critic of President Johnson's bombing of North Vietnam ever uttered a word of condemnation of our killing of German civilians.

Despite this, the critics of the President, with the AJC shouting right along, suddenly developed a moral conscience regarding civilians on the enemy side. The same people who, at the time of World War II, clearly understood the need to crush the morale and spirit of the enemy by deliberately terror bombing, now suddenly condemn a policy of strict adherence to military targets with the inevitable accidental civilian casualties. And so, the president of the AJC, Reform Rabbi Arthur J. Lelyveld, wired the White House:

"The inevitable slaughter of innocent civilians as a result of American bombing raids over North Vietnam is now verified. The

conscience of the American people must make itself heard as American bombers invade a foreign state, as American policy earns universal condemnation, as more American and Vietnamese lives are sacrificed daily . . . The ethical demand of our Jewish heritage compels us to call yet again for the halt to the bombings."

MUDDLED THINKING

Lelyveld's theology was, of course, as muddled as his grasp of the reality of Vietnam conflict. Indeed, there are so many errors and so much ignorance in the brief statement quoted above that one feels compelled to devote several weeks to answering it—which we shall, please G-d. For the moment, however, one must limit himself to explaining to the members of the AJC and all others who have been confused and stampeded by men like Lelyveld into blind and misguided protest, exactly why the United States is bombing the Northern half of Vietnam and to do this, one must have a clear picture of the nature of the enemy, both United States troops and Vietnamese civilian force. One should, for example, learn about the story of an 8-year-old boy, Nguyen Van Vang.

Try to imagine that you are Nguyen Van Vang. You're eight years old and you're a little Vietnamese boy. The Mekong Delta is your home. You've never seen Saigon and you've never heard of Hanoi.

You grew up deep in the Delta, in An Giang province, about 150 kilometers from the capital. There amid the rice paddies, canals and many offshoots of the mighty Mekong, your whole world was a giant mud pie that children everywhere would revel in.

You played barefoot. In fact, fashionably dressed little boys in your hamlet of Thanh Phuoc are clothed mostly by the tropic sun. Your games were the simple ones of sticks and stones, but with infinite variety. A rolled up wad of paper bound by a rice stalk was your ball. On occasion, a kite. You were happy, who needs more?

The big adventure began a month ago when your father and mother decided to go far away to work. They would help build a canal. They had done this before but this time you would go along too. One day big government trucks came for your parents and you, and others from nearby villages.

Though the ride was long and dusty, everybody was excited. The pay for this work was very good and in the five weeks it would take to finish the job your mother and father could earn more than 8,000 Piastres, or about 100 dollars. With Tet, the Lunar New Year festival coming, this meant more meat to go with the holiday rice, and maybe some duck, and sweets for you.

One hundred kilometers to the East the trucks finally stopped near the city of Mytho, at a village called Tam Huong, not too different from yours. There was the canal that was to be lengthened, widened and deepened. When finished, this 6,000 meter waterway would afford enough irrigation to provide an extra rice crop for the farmers in the area.

Your mother and father worked hard, along with the 50 others in the group. You passed the days watching or playing, not straying too far. After a month there were only 700 meters left to go in the canal work and you would be back home in a week with your friends in the hamlet.

At night the workers were very tired and after dinner they went to sleep early. They slept in two houses near the canal and in an adjacent Buddhist Pagoda. You and your parents were in the pagoda.

That's where you were two nights ago, lying between your mother and father, when the Viet Cong crept in with their machineguns. Thirteen persons were shot dead in the pagoda.

Twelve others sleeping in the two houses were killed.

Seven more were critically wounded.

They missed you, Nguyen Van Vang, but the Communist bullets made you an orphan.

The screams have passed, the blood has been wiped away. The terrorists have fled, the massacre is over. The canal will be finished but not this week.

Today was the funeral. The monks prayed and lit candles and incense. Now the big trucks, loaded with coffins and the survivors, are ready to go home.

You're Nguyen Van Vang, you're eight years old, and they shattered your little world. You will never forget the Viet Cong.

[From the Jewish Press, May 19, 1967]

THE JEWISH STAKE IN VIETNAM

(By Meir Kahane)

Behind the protests and bewilderment concerning United States involvement in Vietnam lies a terrible and almost fanatic ignorance and confusion concerning the following basic questions: What is the origin of the fighting? Who are the Vietcong and what is their origin? Is this not a civil war? Are not the Vietcong merely peasants fighting for a free and progressive society? What right does the United States have to be in Vietnam? Why is the United States bombing a foreign country—North Vietnam?

Because never before have so many known so little about so much, we find the Leftist groups—dedicated to the establishment of a Communist, totalitarian regime in Saigon—able to manipulate a great many liberals and other decent people (a tactic at which they are extremely adept, considering their success in leading so many sheep by the nose during the 1930's, 1940's and even in the Korean War). Because of this immense ignorance—much of the blame for which must lie with the United States government's failure to provide clear and readily available answers—many well-meaning groups have been sucked into the general protest movement under the misconception that they are fighters for 'peace.'

Basically, these groups—including Jewish ones such as the American Jewish Congress and the Union of American Hebrew Congregations (Reform)—believe and propagate the following inanities:

The war in Vietnam is a civil war led by dedicated reformers against a corrupt regime in Saigon which is an imperialist tool to boot; the United States is driven by some mad obsession about Communism to interfere in the internal affairs of a foreign nation to uphold a corrupt and weak regime; the people do not support Saigon and are ready to opt for the Vietcong; the United States is engaged in an immoral war against a weak and outside country—North Vietnam—and willfully kills thousands of civilians weekly; the Vietcong and North Vietnamese would gladly talk if the United States would stop the bombing and show a willingness to compromise by recognizing the Vietcong as a legitimate party to the hostilities and by leaving South Vietnam and letting its people choose its own destiny by free elections.

The premises are basically false and the conclusions that flow from them equally so and extremely dangerous for Free Vietnam, the other nations of Southeast Asia and the citizens of a United States which is still the home of freedom and liberty. For if the above premises would be true then the United States should pull its troops out of Vietnam and leave it to the mercies of the Vietcong—and this is really what these groups desire. To begin to comprehend what a disaster that would be for free people and for the United States, for Jewry, Judaism and Israel, and to begin to dispel the false illusions and understand the truth about Vietnam, we must begin to understand the origins of the conflict.

FRENCH INDOCHINA

The land that we know today as Vietnam (both North and South) together with the adjoining lands of Laos and Cambodia were conquered in the late nineteenth century by imperialist France. They were joined together in a union called French Indochina and remained for more than half a century colonies of the little Bourbons. They existed—like all colonies—only to serve the chauvinistic and materialistic needs of the French. Their duty was to merely pay their taxes, furnish the motherland with raw materials and serve as a market for cheap finished products.

From the very beginning, Vietnamese nationalism was aroused and there came into being various revolutionary groups dedicated to the overthrow of French rule and the re-establishment of a Free Vietnam. From the time of the early Can Vuong ('To Rescue the King') monarchist movement, various groups arose in hatred of the French. Consider the 1906 letter of the Vietnamese patriot Phan Chau Trinh to the French Governor General that read in part:

"The French always hold us in hatred and contempt. They consider us not merely as savages but as dogs and swine . . ."

Hatred of the French grew and was nurtured by the nationalists. From 1905 until 1925 its mainstream was represented by the Dong Du (Pan Asian) Movement led by Phan Boi Chau. This group changed the character of the Vietnamese nationalism by no longer looking to the Buddhist or Confucianist ideas but rather to the modern Western political concepts of republicanism and technology.

Phan succeeded in obtaining scholarships for Vietnamese youths to study military techniques and political training in China and Japan. He succeeded in uniting all the nationalists into a League For the Restoration of Vietnam and organized a government in exile in Canton, China. The movement began to gain momentum when, in June 1925, Phan was persuaded to go to a certain address in Shanghai. It was a great mistake. He did not realize that it was in the part of the city under French concession, French police were waiting to seize him.

The question now arises: How in the world did the French know that Phan would be at the address? The answer is even simpler. A Vietnamese by the name of Nguyen Ai Quoc had informed them, betraying the leader of Vietnamese nationalism for the sum of 100,000 piastres. The money went to subsidize a Cantonese Communist front known as The League For Vietnamese Revolutionary Youth. It was to be the forerunner of the Vietnamese Communist Party.

Who was Nguyen Ai Quoc? Today he is better known as Ho Chi Minh. Let his deed be recorded as one of his earliest known contributions to the creation of a free and independent Vietnam.

[From the Jewish Press, May 26, 1967]

THE JEWISH STAKE IN VIETNAM

(By Meir Kahane)

(United States forces are today fighting in Vietnam to check Communist aggression. All Americans have a stake in this grim war but Jews have a very special interest in the successful outcome of this struggle. For, wherever the Communist machine achieves power, not only are political, social and economic rights swept away, but spiritual persecution is inevitable and mercilessly practiced. Because of this, it is vital that the Jew realize the danger to his very survival as a free human being should Communism ever achieve victory. He should know that Judaism will be mercilessly attacked and his children torn from their faith. He should know that the State of Israel is a bitter target of the Communists in general and the Chinese and Viet-

cong in particular. The Jewish Press, in line with its policy of alerting America to the dangers of totalitarianism from Right and Left, is writing a comprehensive series on The Struggle For Freedom In Vietnam. The writer of the series aside from being a regular contributor to the Jewish Press, is also chairman of the American Jewish Friends of Vietnam and an expert on Communist threats to democracy and religious freedom.)

One warm evening in the year 1912 a young Vietnamese of 22 set sail from Saigon for Marseilles. He carried with him a small suitcase and a letter of introduction to the Vietnamese nationalist leader, Phan Chu Trinh, in Paris. One is tempted to pause and wonder how the course of history would have changed if the young man—Ho Chi Minh—had never reached the shores of France?

It is impossible to begin to understand the course of today's events in Vietnam without an understanding of the history of the Vietnamese Communists. And the history of the Party begins with an appreciation of its founder and leader, Ho. Though a ruthless and tyrannical man, his political genius and revolutionary brilliance is acknowledged by all, and he towers over all other leaders in Indochina.

Born in 1890 in the province of Nghe An he is descended from a line of junior mandarins and small landlords. His name at birth, was Nguyen Van Coong and his father was a fervent nationalist who had a profound influence over his son.

In France, he became active with other Vietnamese exiles in agitating for independence for his homeland. For years he worked towards this end, even attempting to gain President Wilson's backing at the Versailles Conference that followed World War I. Nothing, obviously, came of it.

All this time, Ho had been strictly a Vietnamese nationalist. Now, having met and been introduced to many left-wing political figures in France, he became a member of the Socialist Party. There is little doubt that his original motive was the hope that Marxism would be able to aid nationalism in doing what the latter had failed to do alone. The tall, however, soon began to wag the dog.

HO BECOMES A COMMUNIST

Somewhere along the line, Ho became a sincere convert to the Marxist doctrine. He was so enthusiastic that he broke with the right-wing Socialists and became a Communist. He travelled to Russia and from 1921 to 1925 he studied and gained the necessary experience in revolution. In 1925 he was told that he had been chosen to go with Comintern (Communist International) agent, Michael Borodin, to Canton, China to introduce revolutionary Communism to the Far East.

In Canton, Ho (now known as Ly Thuy to the Chinese and as Vuong Son Nhi to the Vietnamese exiles) formed something called the Revolutionary Youth League. It was a carefully cloaked front that always de-emphasized Marxism and portrayed itself as a nationalist group. The students who came to his meetings, however, were taught the elements of Marxism and revolutionary techniques.

Ho observed his students carefully. The best of them were chosen to go back to Indochina where communist cells were established. But it was not the Communist Party that was the leader of the struggle for independence from France in those years. In 1927 there had been created a group which promised to create a truly independent and democratic Vietnam. It was known as the Vietnam Quoc Dan Dang (VNQDD) or Vietnamese National Party. Its strength was derived from the fact that its membership came from the cream of Vietnamese society—the middle and upper lower classes.

Its leader, Nguyen Thai Hoc, was not a particularly brilliant theoretician, though

he was a sincere and dedicated patriot. In effect, he modeled his group after the Chinese Kuomintang of Sun Yat-sen and Chiang Kai-shek, adopting that group's vague ideology of nationalism, democracy and socialism.

The VNQDD gained rapidly in Vietnam. The Great Depression of 1929-31 had shaken the country badly. The colonialist French had introduced industrial crops, such as rubber plantation, and light industrial enterprises and this created an urban and semi-urban proletariat. The old economy of small farmers—poor but self-sustaining—was breaking up. Economic and social misery was all about and the nationalists seized upon it. The VNQDD soon had 120 secret cells and 1500 members. It lacked, however, a solid revolutionary technique and had little resources—all things that the smaller Communist Party was to realize and overcome and which, in the end, gave it victory.

A premature uprising was launched on the night of Feb. 9, 1930 by the VNQDD at Yen Bay. The French suppressed it quickly and brutally. The entire party-apparatus was captured and scores of leaders went to the guillotine shouting: "Doc Lap," "Doc Lap," (Independence, Independence).

But courage was all that the VNQDD had. Their golden hour had come and gone and they were never again to be the dominant force in the Vietnamese struggle against France. The Vietnamese revolution, born in nationalism, was to end in communism.

As the VNQDD grew in power, Ho Chi Minh waited in China, realizing that his attempts to portray his Revolutionary Youth League as merely another nationalist group was doomed to failure and that the nationalists were flocking to the VNQDD. He therefore, removed the facade and in 1930, openly established the "Indochinese Communist Party."

No sooner had this been done, when the tragic VNQDD revolt took place. Hoping to reap the harvest that had been so laboriously sown by the nationalists, Ho now ordered an uprising of his own. On May Day 1930, the Communists instigated riots against the French, riots that ended as the French Legionnaires fired machine guns into the crowds. The Communist Party's first major attempt had failed.

But the Communists had been much more fortunate than the nationalists. Unlike the VNQDD which had seen its leadership decimated by the French, many of the Communist leaders had evaded or escaped arrest. Above all, Ho Chi Minh, who had been arrested in Hong Kong, was now released under mysterious circumstances. (Unbelievably, the French believed that he died in 1933). He was far from dead, however, and he disappeared from the public scene only to work at the difficult task of rebuilding the fallen walls of the Communist Party.

[From The Jewish Press, June 2, 1967]

THE JEWISH STAKE IN VIETNAM

(By Meir Kahane)

We pause in our description of the general background of the Vietnam conflict to answer certain questions and points that have been raised by several people in opposition to United States attempts to halt the aggression and terror of the Communists there. Many of these points are shared by all too many people, individuals who are not familiar with the facts and who have been lulled into their present attitude by a clever and untrusting propaganda machine. It is imperative that these points be answered if we are to understand the terrible danger that a Communist victory in Vietnam poses for all of us and, to this end, one major point will be taken each week and answered.

Point I—Is this not a civil war between South Vietnamese and is not the Vietcong

basically a nationalistic group rather than a Communist one? Are we not violating the Geneva Agreement?

Answer: Undoubtedly, this myth is what the Vietcong and Hanoi would dearly love to have us believe. Indeed, this theme is shouted by every Leftist group and publication and echoed by a great many dupes (the latest having been U Thant, who has long since proven himself to be a biased and slanted opponent of the West). The facts, however, are quite different.

The Geneva Agreement of 1954 had divided Vietnam into two parts, at the 17th parallel. The North, known as the Democratic Republic of Vietnam, was a Communist tyranny. The South, known as the Republic of Vietnam was a free, non-communist republic. The Agreement looked forward to nationwide elections by 1956 to re-establish the unity of the country. Ho Chi Minh was delighted because he was convinced that he would easily win the elections. There were several reasons for his optimism: The North was more populous than the South; the North had been under Communist tyranny for nearly a decade and terror and fear ruled the area, insuring a total Communist victory of the kind that every Communist country always produces; in the South, the nationalists, though all anti-Communist, were without the discipline and unity of the Communists and were desperately divided among themselves; the South was decimated economically, with ruined highways, bombed railways, silted canals and agriculture in chaos; three private armies—two of them religious sects and the third a mafia-type gang which ran all the vice in Saigon—roamed the countryside with no intention of submitting to the authority of Free Vietnam.

There is little doubt that, because of these reasons—and especially because no supervised free elections could be guaranteed in the North—any election would have been a farce and would have resulted in a sanctioned takeover of the country by the Communists.

What is forgotten, however, is that the Geneva Agreement was never signed by South Vietnam. The signatures that appear on it are those of North Vietnam and the imperialist French who were ready to sign anything as long as they could escape a war which was bleeding them of a million francs a day. The South Vietnamese, however, were adamant in their refusal to be bound by a paper which would destroy them and contemptuously refused to be bound by the colonialist French. This point must be stressed over and over again. South Vietnam has never broken the Geneva Agreement since it was never a signatory to it (Nor was the United States a signer of the Agreement, promising only to do nothing to upset it, a promise we carefully kept until North Vietnam's violations became so grotesque).

In any case, the years that followed Geneva saw a miracle take place in South Vietnam. The private armies were easily crushed and the economy blossomed at such a rate that by 1960, per capita food production in the South was 20% higher than in 1956 while in the North it was 10% lower and despite the vastly larger industrial plant inherited by the North at partition, their gross national product in the South was \$110 per person as opposed to only \$70 in the North. Obviously, the South was prospering and was not about to fall under Ho Chi Minh's heel.

As this became clear, Ho realized that the only way he would ever rule the South would be through force. He, therefore, began to organize the Communists in the South (a very small group) to begin assassinations, sabotage and other terror raids. He knew, however, that the small Communist groups in the South were not capable of a successful overthrow of the government and so he decided upon two things:

1) Organize, infiltrate, arm, direct and

control an armed revolt against the legitimate, popular government in Saigon.

2) Create a fictitious front which would pretend to be an independent Southern group so as to create, precisely, the myth that so many people today believe.

And so, remembering Korea, where direct Communist crossing of a boundary was too blatant for even timid world opinion to swallow, Ho dusted off his oft-used and always successful device of a cover organization.

On September 4, 1960 the third Lao Dong (Communist) Party Congress met in Hanoi and heard Ho Chi Minh declare that "the North is becoming more and more consolidated and transformed into a firm base for the struggle for national reunification." The Party First Secretary, Le Duan, stated that the Party had to "liberate the South from the atrocious rule of the U.S. imperialists and their henchmen" and that "we must constantly intensify our solidarity and the organization and education of the people in the south." The Congress dutifully passed a resolution "to liberate South Vietnam from the ruling yoke of the U.S. imperialists . . ."

And so on December 22, 1960, the National Liberation Front of the South (FLN) was born. This is the political arm of the Vietcong which came into being at the same time. Ho, with supreme contempt for world opinion, now pictured the Front (so aptly named) as being an indigenous, independent group. The truth is, of course, a different matter. In the words of the Canadian member of the International Control Commission (set up to supervise the Geneva Agreement), on Feb. 13, 1965:

"The aim and function of the Front for the Liberation of the South (FLN), the Forces for the Liberation of the South and the People's Self Defense Armed Forces for the Liberation of the South and the People's Self Defense Armed Forces (Viet Cong) are to organize and to carry out under the leadership of the North Vietnam Lao Dong (Communist Party), hostile activities against armed forces and the government of the South by violent means aimed at the overthrow of the administration of the South."

One hardly needs the verification of the International Control Commission. As long ago as 1959, in an article in the Belgian Communist publication *Drapeau Rouge*, Ho stated:

"We are building Socialism (communism-ed.) in Vietnam but we are still building it on only one part of the country, while in the other part we still have to DIRECT and bring to a close the middle-class democratic and imperialist revolution."

In the same vein, the Commander of the North Vietnam forces, Ho Nguyen Giap, spoke to the Lao Dong Congress of the need "to step up the national democratic revolution in the South," while he stated in the Communist Party journal, *Hoc Tap*, that the North was "the revolutionary base for the whole country."

[From the Jewish Press, June 9, 1967]

THE JEWISH STAKE IN VIETNAM

(By Meir Kahane)

It has not been a good two weeks for the opponents of United States efforts to defend the integrity of a small country in Southeast Asia and live up to its commitments. It was just a few weeks ago, on May 24, that a letter appeared in the New York Post from someone named Ben Marcus. It read, in part:

"We peacenicks . . . are really the ones who support the boys in Vietnam. We would like them to come home to a normal life, not to be killed in some half-country in Eastern Asia."

The contemptuous phrase "some half-country; so reminiscent of the isolationist slogan opposing war with Hitler who wants to die" for Danzig?; apparently makes the point that small nations—"half-countries"

are not worth dying for. Indeed this point is one that is raised over and over again by opponents of the war:

"Why should we die for some small country half way around the world that we never heard of and with whom we have no ties?"

Of course, once upon a time very few people heard of places as Guadalcanal or Iwo Jima or El Alamein or Bastogne. They, too, might have been excused for asking what these places had to do with people in New York or San Francisco or Kansas City. With hindsight we can now look back and realize that, in those places, in the battles that were fought there and where thousands of Americans died, freedom and civilization were preserved from the hands of the Nazi and fascist hordes. It was these places—less than half-countries these miserable islands and deserts, which helped guarantee that the spirit of Auschwitz would not be able to claim more than the six million Jews it did.

A little later, very few Americans had heard of places as Seoul and Inchon or Yalu. Today, as they go down in the history of our time as landmarks in the struggle for Korean freedom. Is there anyone—aside from the know-nothing Marxist—who disputes the fact that the courage of an American President, Harry S. Truman, in going against the outraged protests of the pacifists of 1950 and sending American troops to stop the North Korean hordes, prevented Communism from swallowing up another "half country" and stopped Communist domination of the Far East?

The point, quite obviously, is that for people who pretend to don the mantle of morality and who was indignant at President Lyndon Johnson for daring to use force in Vietnam, the argument that "half-countries" are not worth dying for is as morally reprehensible as it is politically naive.

The history of aggression demonstrates quite graphically that the tyrant's meal begins with tiny or "half" countries. Adolph Hitler did not begin his aggression with "whole" or great countries. It was the Rhineland and the Saar and a small Austria and a tiny Danzig that first felt the hot breath of his aggressive appetite. They were testing grounds for the madman of Berlin, to see how far he could count on fearful people who sought to buy peace and security for themselves at the expense of the "half-country." He learned, to his delight, that there were a great many such people who were prepared to sell out a great many other people and he correctly foresaw that Munich was an integral part of the spiritual baggage of the pacifist and the fearful.

In the end, of course, not only have such people been guilty of moral bankruptcy but they did not even have the satisfaction of enjoying the peace they thought they had bought for themselves. For they learned to their sorrow that the more one appeases the aggressor the more his appetite is whetted. In the end, they had to go to war anyhow; in the end their sons and daughters died anyhow; the difference was, that, having waited and allowed the aggressor to gain time and strength and resources, the war was infinitely more bitter, eternally more desperate.

No country is a half-country morally; no country is unworthy of being protected from an international aggression which looks upon every "war of national liberation" as part of a world-scheme which would make a universal hell of the earth.

Certainly, we Jews stand in sorrowful and fearful realization of all this today. As the Arab hordes, urged on by their Communist patrons so eager to create, destroy yet another democratic world outpost, threaten the existence of the State of Israel, we urge and we demand that the force of the free world be brought to bear in defense of the Jewish State. We demand this despite the fact that Israel might very well be called a "half-country", both because of its size and the fact that, like South Vietnam it is a product

of partition. We demand this despite the fact that it might be argued that millions of Americans have never heard of such places as Bnei Brak or Netanya or Mishmar HaEmek. The point is an irrelevant one. A small nation, a small people is at the mercy of saboteurs and terrorists—it deserves to be saved this fate. A small nation is threatened with extinction by its neighbor and by guerrilla bands who claim that the land is theirs. It should be saved. Morally this is the only stand a person of integrity can take. Practically, it is the only foreign policy that great nations who wish to remain free themselves can follow.

The principle of great power intervention on behalf of the small state is one that all men of justice must fight for—in Israel and in Vietnam.

Those of us—the great majority of American Jews—who have backed President Johnson throughout in his Vietnam policy—stand sincerely and unashamedly and staunchly in our demands that he do no less for the State of Israel. Those who have consistently backed the principle of defense of the "half-states" can—with clear conscience—demand that Lyndon Johnson commit America's power to the defense of tiny Israel. For the Ben Marcuses and other misguided ones there is only one course. To confess their moral and political sins so that they, too, can join the Jewish people and all other Americans who desire justice, in demanding that their chief executive continue the struggle for world freedom through the defense of the "half-state" of Israel.

RIGHT OF PRIVACY

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

THE SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GALLAGHER, Mr. Speaker, from Monday, June 19, through Friday, June 23, the Evening News in Perth Amboy, N.J., published a five-part series entitled "Census or Snooping?" The series was written by Miss Susan A. Meyer, of the Evening News' editorial department.

Miss Meyer's articles offer an in-depth study of the delicate balance between increased questioning of the American public by the U.S. Census Bureau—as exemplified in the "special census" conducted in New Haven, Conn., in April of this year—and the preservation of the individual's right of privacy.

I believe that these articles illustrate outstanding research and clarity of style, and that they present a most precise explanation of one of the most serious and complex problems facing our Nation today.

This series represents journalism at its finest, and for that reason, I insert it in the RECORD at this time:

[From the Perth Amboy (N.J.) Evening News, June 19, 1967]

CENSUS OR SNOOPING?: 1970 NOSE COUNT A NOSY ONE—I

(By Susan A. Meyer)

In 1787 the Founding Fathers decided that there was a need for a census of population every 10th year.

More than 150,000 Americans have already had a taste of this nose-counting—1970 style.

In April, residents of New Haven, Conn., were required—or at least were under the im-

pression they were required—to participate in a special dry-run of the 19th Decennial Census of Housing and Population.

In the process, one in every four New Haven householders had to wrestle with a 20-page form, a "special census" the size of a tabloid newspaper—and nearly as heavy. Their more fortunate neighbors only had to fill out the standard four-page edition.

It was the householder's responsibility to supply information not only about himself but about everyone else living under his roof as well—including the family boarder and visiting cousins from Peoria. The only easy part was counting the noses.

New Haven residents can bear witness to the insatiable curiosity of the federal government. Among other things, they had to tell the Census Bureau:

How much money they had, how they got it, and how they spent it;

If they worked for a living, for whom and doing what;

If their skins were white, black, red, yellow or "other";

If they got married and stayed married.

The 1970 Census, to be conducted at an estimated cost of \$173 million, will be the biggest statistical survey ever undertaken.

In addition to tapping new, hitherto neglected areas of inquiry—and expanding on others—this census will be unique for other reasons.

For one thing it will be a "do-it-yourself" census. Instead of answering questions for an enumerator, each householder will be required to fill out a form and mail it to the Census Bureau.

This will, of course, require the cooperation of the Post Office Department since it will be the responsibility of the mailman to do the legwork and the job of postal employees to prepare the master list of addresses on which the success of the "mail out-mail in" venture will depend.

NOT ENTHUSIASTIC

Census officials admit—though somewhat reluctantly—that postal authorities aren't particularly enthusiastic about their part in the master plan. Postmaster General Lawrence O'Brien's repeated reference to "the mail crisis" makes it abundantly clear why: The Post Office Department has plenty of its own problems to worry about.

From humble beginnings devoted largely to counting people, not things, the Census Bureau, under the aegis of the Department of Commerce, has grown into a massive information gathering network having within its files a continuous, detailed record of our entire civilization.

The United States Constitution mentions the census only once, in a section providing for an enumeration every 10 years for apportionment purposes. A liberal interpretation of another section of that document gives the Census Bureau the constitutional right to pry into the personal affairs of all citizens. The Constitution empowers Congress:

"... to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, including the powers to tax for the provision of the general welfare, to regulate commerce, and to establish a uniform rule of naturalization, and all other powers vested by this Constitution in the Government of the United States, or in any department or office thereof."

TITLE 13 SPECIFIC

If the Constitution isn't specific enough, Title 13, U.S. Code, certainly is. It says:

"The Secretary of commerce shall take a census of population, agriculture, irrigation, drainage, and unemployment and housing in order to provide information concerning the number, characteristics, including utilities and equipment and geographi-

cal distribution of dwelling units in the United States."

It states further: "The Secretary (of commerce) shall prepare schedules, and shall determine the inquiries, and the number, form, and subdivisions thereof."

In other words, the Bureau of the Census may quite literally ask anyone anything provided only that the questions are "deemed necessary and proper" by the Secretary of the Department of Commerce.

The Census Bureau, the nation's largest supplier of statistical material, has traditionally had three problems: (1) how to secure information from a resistant public; (2) how to store it; and (3) how to fully exploit it.

Even though Census officials admit that people sometimes resent being asked personal questions Title 13 has all but eliminated overt opposition to census probing. It provides stiff penalties—fine, imprisonment, or both—for anyone over 18 who either refuses to answer questions or gives false information.

MAY BE SOLVED

Problems two and three may soon be solved, too.

Computers will be used for the first time during the 1970 Census.

In order to facilitate the conversion to computers, and to improve the correlation of its records with information received from "other governmental sources," the Census Bureau proposes that Social Security numbers for one in four households be placed on census forms.

There was opposition to this, as there has been to every plan for mass numerical identification, and particularly, to the proposal to create a National Data Center for storing all federal government records.

The flurry of opposition did not stop the Bureau of the Census, however.

Social Security numbers were included on the "1 in 4" special survey in New Haven.

Census officials insist the final 1970 questionnaire will not be drafted until the results of the New Haven test are thoroughly analyzed.

Despite this assertion, the forms used then will in all probability be similar to the one every householder will be faced with on April 1, 1970.

EXTENSIVE LIST

What will Uncle Sam want to know? Literally, everything. The almost inexhaustible list includes:

Name, address, and telephone number (not just whether or not there is a telephone).

Age and date of birth.

Race (white, Negro, Japanese, Chinese, Filipino, Indian (Amer.), other).

Marital status (not just married or single, but "now married, widowed, divorced, separated, never married").

(Although the federal government has no legislative interest whatever in marriage—this is regulated by the states—it would appear to have an extraordinary curiosity. In addition to information everyone will be required to give on his marital status, one in every four householders will be asked:

When he got married, the last time, that is;

Has he been married more than once;

When did he get married the first time;

Did the marriage end because of the death of the husband or wife.)

OTHER QUESTIONS

Although the government is interested in people it is also interested in things;

Rent paid or value of the dwelling;

How is that home or apartment heated (an easy question for the homeowner, but not necessarily for the apartment dweller.)

Those are the "routine" questions. From one in four households (and from all their occupants), additional information will be required. Such as:

Does the rent include heat, hot water, gas, electricity, air-conditioning, off-street parking and a swimming pool;

The monthly average cost of gas and/or electricity;

When was the building constructed (some homeowners may not even be sure of that one);

How is hot water supplied to the dwelling and what types of fuels are used for heating, cooking, and heating hot water.

HOUSEHOLD EQUIPMENT

Household equipment is a subject of tremendous government interest. The census will want to know not only if the householder has a washing machine but what type—wringer, separate wringer, automatic, semi-automatic.

Is his clothes dryer operated by gas or electric current?

Is his dishwasher portable or built-in?

Does he have a garbage disposal?

Does he have separate freezer?

Is his television set black and white or color?

Does his radio operate on batteries or house current?

Does the respondent have an automobile?

A bedroom?

A basement?

How does he get his water?

Get rid of his sewage?

Since the federal government is just as interested in the individual as it is in the individual's physical surroundings, the Census Bureau will probably ask respondents:

The birthplace of both his parents;

How long he has lived at his present address and where he lived five years before;

The extent of his education; whether or not he received a college degree and the field in which he received that degree; if he completed a vocational training course and if he used the training.

WORK HISTORY

More than 25 per cent of the population will also be required to give a complete work history including when and where they last worked, for whom, for how long and in what capacity.

Then Census Bureau—like the Internal Revenue Service—is extremely interested in personal finances.

Respondents to the "special census" will be asked to state not only their gross earnings before deductions for the year before but provide a dollar-by-dollar breakdown as well.

The federal government is also interested in learning if any of this money comes from public assistance, pensions, unemployment insurance, workmen's compensation, alimony or insurance.

Once upon a time, Americans were counted for the worthy purpose of property apportioning the House of Representatives.

Now, more than 200 million persons, their goods and chattels—the proverbial hairs on their heads—will be numbered, coded, tabulated, correlated and studied by anyone with an eye for a bargain in market research.

We've come a long way since 1787.

CENSUS OR SNOOPING?: "SECURITY" CARDS NOT SECURE—II

(By Susan A. Meyer)

Eighteen years ago, George Orwell wrote a book predicting a world in which every facet of human life would be monitored by the omnipotent presence of Big Brother. The name of that book was "1984."

It caused a sensation and added such words as "double-think" and "soma" to our vocabulary. While its detractors try to dismiss the book as little more than the fantasies of a neurotic mind, others believe the basis already exists for the terrifying world Orwell foresaw.

Some even believe that "1984" will arrive sooner. In 1970, the Bureau of the Census

performs the decennial rite of determining how many of us there are and it could play a major role in changing America.

The 10th Decennial Census of Housing and Population, the first computerized "do-it-yourself" census in history, will be a tribute to American determination to do a job better, cheaper, and faster—regardless of the cost.

That "cost"—the right to be let alone—will be assessed against everyone.

New Haven, Conn., residents already know this.

They had a taste of the 1970 probe in April when the Census Bureau tested its new master plan.

More than 150,000 residents of that New England city learned that the federal government will probe ever more deeply to determine statistically just exactly what it is that makes us tick.

But the story didn't begin two months ago in New Haven; it started 32 years ago in Washington, D.C.

In 1935, Congress passed the Social Security Act. The public was promised that information within Social Security files would forever remain confidential.

So far, that promise has been kept. But, the question is: How much longer? Although safeguards were built into the original legislation protecting Social Security information from public disclosure, no provision was made to restrict the use of the Social Security number itself.

The Social Security Administration (SSA) has issued more than 180 million account numbers since the program began. More than 135 million of these accounts are still active.

The number of new accounts grows annually, reflecting both the increase in population and the extension of Social Security coverage to previously unprotected wage earners. SSA administrators believe by the mid-1970s it will be the rare individual who does not have a Social Security account number.

Regulations specifically forbid the individual to use his Social Security number for purposes of identification, but there is no corresponding prohibition against others using the number to identify the individual.

When George Orwell wrote his disturbing book, mass identification by Social Security number was merely an academic question. Today it is a critical issue—and a strong possibility.

In 1949, computers, like mothers-in-law, were a standard part of the routine of most stand-up comedians.

What was once a laughing matter is today a cause for alarm.

PROVIDE THE KEY

Among the many virtues of computers is the ease with which they can keep records, a normally tedious, expensive, and time-consuming task, but one to which our society is dedicated.

Now, with Social Security numbers providing the key for programming them, computers can eliminate much of the drudgery and expense of keeping tabs on an entire civilization.

The Internal Revenue service was the first to grasp the possibilities of the new concept.

To keep better track of tax-payers—and to adapt its filing system to computers—the IRS quietly got government approval to use the Social Security number for purposes of taxpayer identification.

For the first time since the establishment of the Social Security System, the SSA numbers were being widely used for non-Social Security purposes.

PRECEDENT SET

A precedent had been established. With IRS success in mind, the Department of Defense proposed to do away with its serial numbers for servicemen, substituting Social Security numbers instead. The proposal is still under federal study.

But the most ambitious government proposal yet advanced for using Social Security numbers for non-Social Security purposes comes from the Bureau of the Budget, an agency within the Department of Commerce.

The Budget Bureau has proposed that a National Data Center be created.

Using computers, all information now spread throughout the federal government's many files could be incorporated into a single very efficient unit.

To this information could be added records compiled from sources outside the federal government.

States, for example, could supplement data-center files with their own vital statistics—such as birth, death, and marriage records.

ONE MAN, ONE FILE?

The key to the success of this proposal is the Social Security Account number, so easily adaptable to computers. All records the government has for an individual—from his income tax returns to his military service record—could be filed in a single place under a number uniquely his.

Statisticians are enthusiastic about the proposal since it would provide an unending statistical gold mine.

Their colleagues, the computer experts, point to the ease with which this information could be retrieved for purposes of statistical correlation.

It was precisely this ease of retrieval that put a temporary halt to the data-bank plan, despite an Administration taskforce blessing.

NOT DEAD

The proposal is by no means dead, however. Its proponents are busily trying to find ways of calming the fears of critics who insist it will be just as easy to retrieve the information for more ominous purposes.

Largely because it has the financial and legal resources to do so, the federal government is leading the drive toward computerized mass identification. But other sectors, less susceptible to the pressure of public opinion or to legislative control, are also getting into the act.

As they computerize their records, industries, merchants, employers, schools and colleges, credit companies, state agencies—anyone who can get the information—will include the Social Security number as identifying information.

SPACE AVAILABLE

Applications of all types and for diverse purposes now provide spaces for the inclusion of the Social Security number.

A Social Security Administration spokesman said recently that it had been approached with a proposal to tattoo pets with their owner's SSA number.

Although the Social Security officials sympathized with the pet owner's problem keeping his animal out of the clutches of petnappers, they declined to endorse the proposal.

An even more ambitious scheme has also been submitted for SSA study. This is the plan to issue every individual a Social Security number when he is born so that it can be placed on all records pertaining to him, from his birth certificate to the form officially confirming his death.

Thus, an entire lifetime could be recorded on a fraction of an inch of computer tape—and retrievable in a fraction of a second.

While most of these ideas are still just that . . . ideas, the Census Bureau is busily putting the finishing touches on the 19th Decennial Census.

Its plans for 1970 may well make all the other "ideas" obsolete.

CENSUS OR SNOOPING?: ANYONE CAN GET INTO THE ACT—III

(By Susan A. Meyer)

Last summer, Congress got a disturbing preview of the 19th Decennial Census of Housing and Population—the most ambi-

tious statistical survey ever undertaken by anyone, anywhere, anytime.

After two days of hearings before the House subcommittee on census and statistics, it was clear the 1970 census will greatly enlarge the scope of federal inquiry into the personal affairs of every citizen.

Members of the House subcommittee were anxious to find out who asks what—and why. They called upon A. Ross Eckler, census bureau director, for some answers.

According to Mr. Eckler, all final decisions are, by federal law, within the discretion of the Secretary of the Department of Commerce, of which the Census Bureau is part. But nearly anyone can get into the act—just suggest a question.

According to congressional testimony, "representatives of trade associations and industries engaged in advertising, banking and finance, insurance, manufacturing, retail trade, printing and publishing, and economic and market research" were on the list of interests from which the Census Bureau drew suggestions.

Social service organizations wanted certain questions included; so did area and municipal planners educational interests, religious groups, sociologists, labor unions, participants in the war on poverty—the list was endless, the congressmen discovered.

Members of the subcommittee asked what all the information would be used for.

They learned there are, among others, many "non-federal government uses" for the data, including "market planning and forecasting, buying power estimates, reference material for many undefined purposes, selection of areas for direct mail promotion, and formation of economic and policy decisions."

The result of all this was the 20-page "special census," a combination comprehensive marketing survey and detailed sociological study, used in New Haven, Conn., last month.

In addition to the questions it asked New Haven residents—and will in all probability ask more than 25 per cent of the entire population in 1970 as well—the Census Bureau proposed to inquire into such areas as religious preference, voting and voter registration, and physical and mental disability.

Despite its denial of other than purely statistical interest in such information, the Census Bureau was forced to forego those questions because of public and congressional opposition.

But the opposition wasn't strong enough to also scuttle the bureau's plan to include the use of Social Security numbers. That piece of "identifying" information was part of the "special census" and is likely to appear on the same "1 in 4" survey in 1970.

SOME RELUCTANT

Subcommittee members asked Eckler if people didn't object to all this poking around in their private affairs.

Eckler regretfully admitted that there is, indeed, occasional public reluctance.

In order to combat it, the Census Bureau conducts an intensive public relations campaign, he said.

"We tried local information centers where people can go and ask questions. We will certainly try to find if there are foreign-language newspapers . . . that will reach these people and we will try to use them," he testified.

"It may be possible to find local leaders, such as clergymen or other people who have a considerable number of supporters or followers, to try to use all the means we can," he added.

Despite the bureau's hard-sell, public cooperation isn't quite what it could be, Eckler confided in his congressional audience.

HAVE A DUTY

"There is a real problem of getting across the fact that these people . . . have a duty as citizens to be reporting. But we will still

have more to learn about how to induce them to cooperate."

The bureau already has the means at its disposal with which to force cooperation: Title 13, U.S. Code.

The statute provides stiff penalties for failure to cooperate with the census. Although they are entitled to do so, census officials rarely resort to such drastic legal measures. Usually, threats of fine, imprisonment, or both, are sufficient to insure cooperation in the rare instances when an appeal to patriotism and duty were not.

The Census Bureau assures the public—backed by Presidential Proclamation—that all its information is strictly confidential and used only for statistical purposes. Federal law reinforces this by forbidding use of census data for purpose of "taxation, regulation, or investigation."

But just how tight are the security precautions used by "sworn census personnel" to protect individual census reports?

TAPES TAKEN

Although the bureau defies anyone to show an instance in which confidentiality was breached, an aide to Rep. Cornelius E. Gallagher (D-N.J.) told The Evening News of an instance in which an unauthorized person simply walked into census files and walked out with census "tapes." (The tapes were subsequently returned to red-faced census officials.)

The Evening News asked bureau officials if taking the census anonymously wouldn't eliminate the fear that the information might be misused.

Dr. Eckler had a ready answer for that question. "Names are needed as an aid in controlling the enumeration," he said.

A computer expert with the Rand Corp. challenged this.

After asking that he not be identified, he said "It is possible to take the census anonymously, perhaps in a manner similar to the secret ballot . . . but I do not believe the Census Department (sic) would be satisfied with this approach."

If individual identification is necessary to control the enumeration process, why are the names retained once the census is completed?

"MANY PURPOSES"

Dr. Eckler had an answer: public convenience.

"Retaining the name in the file of original records serves many purposes. Last year we were able to supply information from their census records of previous years to some one million individuals, most of whom applied for the information to help them qualify for Medicare and similar programs.

"A transcript of the information they had given us in an earlier census served in lieu of a birth certificate."

What the census bureau director did not explain was how a census record could serve as proof of age where a sworn statement giving the same information could not. In both cases, the source of the information is the same—the individual.

Census officials have toyed with the idea of eliminating names from the permanent records, Eckler admitted to The Evening News, but decided against it.

"Consideration has been given to deleting the name from the records after the major tabulations have been completed. But there have always been cases in which it has been to the advantage of the individual to be able to secure information from his own census record some time after the census. Up to the present time this has argued against removing the names from the records."

What Eckler did not say was how many persons later asked the Census Bureau if they had had flush toilets in 1930!

Despite what the Census Bureau says, the Rand computer expert insists the bureau is

far more self-serving than it is public-spirited.

"VERY DIFFICULT"

"It would not be impossible for computers to use information gathered anonymously—just very difficult," he said.

But the Census Bureau is in the business of selling statistical information, and statisticians have discovered a new device for using the wealth of such data in census files.

"One key new use for census information is something called 'longitudinal studies,'" he continued. "Some would like to be able to trace the history of the entire lifetime of a 'statistical' man.

"For example, what happens to his income if he moves from one part of the country to another?

"It is difficult to perform such studies unless individual records are unambiguously tagged. . . ."

According to the Rand expert, personal identification throughout an entire lifetime is the price assessed the individual—like it or not—for the statistical privilege of being studied "longitudinally."

"I cannot imagine how it would be possible to identify records so that they are usable for longitudinal studies and still make it 'impossible' to trace a particular individual. These two concepts seem basically incompatible," he told The Evening News.

EARLIER WARNING

It was the same expert who, in 1966, warned another congressional committee that—

"The safeguards built into the present generation of time-shared (computer) systems all suffer the same defect of requiring the assumption of complete integrity of too many persons connected with the computer installation.

"Can you think of any general-purpose, time-shared computer systems that are presently approved to handle government classified data? he asked the congressmen.

The answer to that one was a resounding "no."

Members of the subcommittee on census and statistics had another matter to discuss with Dr. Eckler: the National Data Center.

The proposal, now under congressional consideration and public debate, was submitted by the Bureau of the Budget.

It calls for centrally locating all the information now spread throughout the federal government files into one giant, highly efficient, computer network. Because the Census Bureau files contain the largest block of individual information anywhere in government, it could be an all-important part of the data bank.

Despite the fact that the data bank proposal comes from another agency within the same department, one also vitally interested in statistical data, Eckler professed to know little about it.

Although he denied any specific knowledge on the proposal, Eckler did not close the door on Census Bureau participation "provided," he told Congress, "there is appropriate legislation."

Both the data bank proposal and the plans for the 1970 Census share a crucial element: Codification of all data by Social Security number.

Both plans call for the identification of all records by the Social Security number of the person to whom the number belongs. These records, and others with which they are to be "correlated," will be fed into a computer.

The entire "file" on any individual could be retrieved from this same computer in a fraction of a second—by pressing a button.

NEW DILEMMA

For the Social Security Administration itself, the proposed wholesale use of its numbering system presents a dilemma.

It, too, is interested in statistics but it is

also particularly conscious of the public trust.

According to informed sources within the Department of Health, Education and Welfare, a battle is raging over the issue.

But, according to Eckler, the matter of census use of Social Security numbers is already settled.

In his statement to The Evening News, he listed among those approving the plan, several agencies within H.E.W., including the Social Security Administration itself.

This came as a surprise to the Commission of the Social Security Administration.

"The Social Security Administration has not given approval to any plan for the general use of Social Security Account numbers for other than Social Security and taxpayer identification."

The 19th Decennial Census is viewed with enthusiasm by such interests as the computer industry, statisticians, social scientists, commerce and industry—in fact, by almost anyone with an axe to grind or something to promote.

But there is also a lot of opposition.

CENSUS OR SNOOPING? NATIONAL DATA BANK FEARED—IV

(By Susan A. Meyer)

Members of Congress are learning that not everyone is enthusiastic about plans for the 1970 census.

One of the first to challenge the \$173 million undertaking was a colleague, Rep. Cornelius E. Gallagher.

Gallagher, the personable, articulate Democrat from New Jersey's 13th District, is one of the leading spokesmen for the right of privacy—and a bitter critic of official snooping.

"First of all, I am deeply concerned with suggested additions to the (census) questionnaires; secondly, I have misgivings about the intended use of computers in the compilation and distribution of the information gathered by the Bureau of Census," he told members of the house subcommittee on census and statistics.

Historically, government data collection has proved dangerous, Gallagher testified.

"For centuries, European nations innocently collected detailed information about their citizens through censuses," he continued. "The use of such information was never conceived of for reasons other than efficiency and economy."

Even those reasons do not justify Census Bureau plans to inquire into such areas as voting habits, religious belief and disability, Gallagher asserted.

"It seems to me," he testified, "that this information is far removed from the essential interest of the census which is to collect population information for apportionment purposes."

Subsequently, those areas of inquiry were abandoned by the U.S. Census Bureau.

Despite his assault on Census Bureau plans to ask respondents for their Social Security numbers, Gallagher was unsuccessful in preventing that information from being gathered during the New Haven dry-run in April.

"Evidently, it is the belief of the bureau that the use of Social Security numbers would make it possible to combine census information with other already-gathered data and still protect the confidentiality of the census records," he said.

But, Gallagher continued, that assertion didn't square with testimony before his own subcommittee on invasion of privacy.

In rebuttal, he offered the statement of a highly respected computer expert who had testified during hearings he conducted on invasion of privacy.

"As one who has for many years been interested in this problem of preserving privacy in the interconnected computer communications systems, I am unable to find a

large body of literature on this subject of protection," Gallagher quoted from earlier testimony.

"I have on the other hand, had less difficulty in accumulating an extensive file of open reports that describes how to wiretap and eavesdrop, in connection with computers . . ."

That was not the only disquieting revelation from the computer industry, Gallagher continued.

Other experts testified that at the present stage of computer technology unless identification is deleted before the information is given to the computer, the computer itself cannot "forget" it.

"It became clear during the hearings conducted by our subcommittee that even the computer community is unaware of the profound implications of its creations," Gallagher told his colleagues.

The 196th Decennial Census, in which it is proposed to use both computers and Social Security numbers for the first time, presents a particular threat to what the New Jersey congressman calls the last frontier—the right of the individual to be left alone.

"I am especially concerned with the relation between the computer and census data, because the computerization of such information could lead to the premature establishment of a national data bank," he warned.

Gallagher's subcommittee won what its chairman calls the "initial scrimmage" against the Budget Bureau's proposal to stockpile all federal government records—by Social Security number—in one gigantic computer network.

Although the plan was temporarily scuttled, Gallagher insists the data bank idea is still very much alive.

The Census Bureau itself has publicly avoided involvement in the National Data Center controversy.

However, Gallagher believes the 1970 census will present data bank opponents with an accomplished fact.

INTEREST SHOWN

"Data bank supporters have already indicated a special interest in linking data from the Census Bureau with information in the Internal Revenue Service. Should this interest be realized it would represent only the first step toward centralization of data," he warned.

(The IRS has already converted to computers and identifies all taxpayers by their Social Security numbers).

Gallagher continued, "The thing that disturbs me is putting your or my Social Security number into the computer and extracting all information that you may have given to the Census Bureau, all information that is in the IRS, all information in your military records, all your school tests. Everything that you ever did could be in theory put in this computer and, therefore, there could be a complete personal intelligence profile on any American citizen."

"MORE SUSCEPTIBLE"

"The more sophisticated our technological tools become the more susceptible our country becomes to a form of dictatorial rule. It does not take much to convert a democracy into something else," Gallagher warned.

During Gallagher's testimony former New Jersey Rep. Paul J. Krebs, now deputy attorney general in charge of the state's Consumer Frauds Bureau, observed:

"I guess basically the thought that your testimony gives rise to in my judgment is whether we are going to continue using the U.S. Federal survey for the purpose of learning how we can better do our housekeeping rather than setting up material that will encourage the establishment of a master police agency."

Then, he asked Gallagher:

"When you start talking about giving the Internal Revenue Service access to this information and then some other government agency, are you not in effect setting the groundwork for the kind of secret police operation that we do not relate to a democratic society?"

"Exactly," Gallagher replied.

Although the New Jersey Congressman's indictment of the 1970 census was among the harshest, he was far from the only one to object to the Census Bureau's insatiable curiosity.

Organizations with a variety of interests—the Joint Committee of the Synagogue Council of America, the National Community Relations Advisory Council of the American Jewish Committee, the Baptist Joint Committee on Public Affairs, the New York City Planning Commission among others—objected to certain areas of census inquiry or recommended that there be reconsideration of others.

One of the strongest criticisms of the 1970 census plan came from the American Civil Liberties Union.

While admitting there is a legitimate need for statistical data, the A.C.L.U. challenged the concept that the federal government can ask its citizens anything, however personal.

More than ever before, the A.C.L.U. has received complaints about the questions to be asked and the possibility of legal challenge. What may be constitutionally asked at all and what may be asked under penalty for not answering completely and accurately," the A.C.L.U. statement inquired.

"NOT JUSTIFIED"

"The answers to some questions may conceivably be useful to some proper governmental purpose, but of such small importance that they do not justify invasion of the citizen's retained and reserved rights guaranteed by the Constitution; others can serve no proper governmental purpose at all, but are sought for the sake of private interest—especially business. . . ."

"If the compulsory feature is retained and there are refusals to answer because of insufficient government need (or none) to warrant invasion of privacy, and the refusals are followed by threatened or actual prosecution, the A.C.L.U. will consider defending such a refusal on grounds of civil liberties. . . ."

While others were debating the merits of its Operation 1970 the Census Bureau went ahead with its plan to use New Haven, Conn., as a test tube for the 19th Decennial Census of Housing and Population.

In April residents of that New England community went to work digging out information for the Census Bureau under the assumption that their cooperation was required by law.

But was it?

It is true that "answer to the census questions are required by law (Title 13, U.S. Code)" as the census form states, but can the New Haven experiment be properly considered "the census"? Census Bureau "surveys," are on a voluntary basis according to the same statute.

The Evening News questioned numerous attorneys about this. Many of them said the statute itself was too vague to make a definite interpretation. Others said, in their opinion, New Haven—and similar dry-runs—could not properly be considered "the census."

New Haven residents, on the other hand, simply accepted on faith the Census Bureau's self-serving legal interpretation: Answer—or risk fine, imprisonment, or both.

However questionable its method, the Census Bureau got the information it sought from more than 150,000 Americans—complete with Social Security numbers for about a quarter of them.

The results are under study now.

In the near future, the Census Bureau will complete its final blueprint for 1970.

The Census Bureau works quietly.

CENSUS OR SNOOPING?: NEW CENSUS TO BE NOSIEST—V

(By Susan A. Meyer)

The 1970 census began unofficially in April of this year when the City of New Haven was used as a giant test tube in which to experiment with the very latest in probing techniques.

The 19th "decennial" nose count, at an estimated cost of \$173 million, will be the biggest statistical survey ever conducted by anyone, anytime, anywhere. And it will count a lot more than noses.

From a time when the census was conducted in order to properly apportion the House of Representatives—its only Constitutional mandate—the Bureau of the Census has grown to preeminence as the nation's largest supplier of statistics on everything from babies to bathtubs.

With brand new computers to feed—and Social Security numbers with which to program them—the 1970 census will be nosier than ever.

Despite the demand for more information for these hungry monsters, at least two federal agencies are anything but enthusiastic about "master plan 1970."

Census Bureau plans call for a "mail out-mail in" survey—largely eliminating enumerators—which may very well create more headaches for the already beleaguered postal system.

Social Security officials are tight-lipped on Census Bureau plans to solicit Social Security numbers for purposes of identification.

But, census pleads, it is only following the precedent already established by the Internal Revenue Service and under consideration by other federal agencies.

There are charges of "big brotherism" aimed at the Department of Commerce, the federal agency having over-all responsibility for both the degree of census snooping and the even more controversial National Data Center proposal.

Congress got an earful on census plans last summer—more hearings are scheduled—and learned that the greatest demand for in-depth information came from business interests rather than the federal government.

During his testimony before Congress, Census Bureau Director A. Ross Eckler admitted that people "occasionally" resist census probing.

But he also admitted that the Census Bureau holds all the high cards: a combination of the hard-sell technique and the penalty provisions of Title 13, U.S. Code.

If the public ignores Census Bureau appeals to duty and patriotism—the soft-sell—officials can always invoke the law—the hard-sell. It is a violation of federal statute—punishable by fine, imprisonment, or both—to refuse to cooperate during a census.

The Census Bureau keeps—in identifiable form—all original census reports. Eckler insists "public interest" demands it.

But at least one computer expert has challenged this, asserting the real reason is the demand by statisticians for detailed information—in identifiable form—in order to conduct "longitudinal studies." With the aid of computers, millions of lives can be distilled and a "statistical man" created from the essence.

PRESS A BUTTON

Members of Congress also learned that the present mechanical brains may be very smart in some ways but they are ill-equipped to protect the privacy of the lives they digest.

One need only press a button . . . members of Congress were told.

Among the severest critics of the Census Bureau plans is Rep. Cornelius E. Gallagher

of New Jersey. He warned his colleagues that the 1970 census might lead to the premature establishment of a national data bank, a plan he helped scuttle—temporarily.

But there are other dangers as well.

"Ever hear of the 'fragebogen'?" Gallagher asked, suddenly.

The Democratic member of Congress from the 13th District sat behind the big walnut desk in his Bayonne law offices discussing the war on government snooping. As chairman of the House Subcommittee on Invasion of Privacy, he takes a particularly active role in the assault.

STORED IN BERLIN

His handsome, smiling face hardened as he explained: "The 'fragebogen' was the personal file—the dossier—their government kept on every German citizen."

For centuries, the thorough, record-conscious Germans kept files on their citizens through such devices as censuses. These files were conveniently stored in Berlin, Gallagher continued.

After Hitler came to power in 1932, the Gestapo used these same records to aid them in the systematic extermination of millions of persons during World War II.

"Just imagine what the Nazis could have done with modern computers," Gallagher mused.

The congressman's outspoken criticisms have been credited with stopping a few of the more flagrant abuses of the right of privacy.

In 1965, his subcommittee persuaded the Civil Service Commission to prohibit the use of so-called personality tests and to revise the application for federal employment, excluding questions the subcommittee members concluded were none of the government's business.

FORCE BAN

Gallagher and a handful of his colleagues are also credited with persuading the Administration to enforce the ban on the use of the polygraph—the lie detector—and electronic eavesdropping devices in all areas under federal jurisdiction.

He has since made things uncomfortable for the Department of Commerce through his criticisms of both the Bureau of the Budget and the Bureau of the Census.

After hearings before Gallagher's subcommittee, the Budget Bureau decided against immediate implementation of its plan to create a central, computerized repository for all federal government records.

The congressman also testified personally before another house subcommittee studying Census Bureau plans for 1970.

He warned his colleagues that those plans might well destroy what is left of individual privacy.

The Commerce Department is not the only branch of government careless about the right of the individual to be let alone, Gallagher continued.

Others on his list of offenders include the Bureau of Labor Statistics, the Federal Housing Administration, and the little-known Office of Organized Crime.

According to Gallagher, the F.H.A. could practically publish its own Kinsey Report based on information it extracts from holders of F.H.A.-guaranteed mortgages.

KNOWS OF MERGER

The congressman said that meanwhile he learned that the Office of Organized Crime is about to merge its computerized files on 300,000 alleged underworld figures—many of whom only "may" have some tenuous connection with organized crime—with the files of all other federal investigative agencies, from the Post Office Department to the Securities and Exchange Commission.

Four of the agencies that will contribute to these files are among the most enthusiastic supporters of the national data bank.

According to Gallagher, the criminal files will use computerized tapes that could be "harmonized" with those proposed for the data bank.

The dangers inherent in centralizing and computerizing so much information about an entire population are immediate and real, he continued.

"If the trend is allowed to continue, everyone of us will be the loser," Gallagher declared.

"Every citizen will eventually be faced with the unpleasant prospect of having a moment in an otherwise blameless life frozen out of context," he continued.

CAN'T START OVER

"With all the highly personal information the government has—doesn't everyone have a skeleton somewhere?—it would be impossible to 'start over'."

"It was the principle that a person could turn over a new leaf—begin a new life in new surroundings without fear of being haunted by his past—that provided the basis for the settlement of the western frontier," Gallagher said.

"I wonder how many leading citizens in Arizona, for example, could trace their ancestry back to some displaced Easterner turned gunslinger," he mused.

"A hundred years ago on the frontier if you asked a stranger a personal question you were inviting a bullet hole," he added.

"We are, in my opinion, establishing the basis for a 'Tyranny by average statistic,'" Gallagher continued. "Our national effort to create a 'norm' for every phase of human activity will eventually dehumanize all citizens."

"Everyone whose life in any way falls outside the 'norm' will be suspect."

"WHY NOT"

With the means we already have—and are intent on using—we are creating what Gallagher calls "no less than a criminal record of an entire civilization."

"People who say 'why not tell them what they want to know. I have nothing to hide' are just kidding themselves," he said.

"Legislation at this point is only a calking operation," Gallagher continued. "But it will have to do until the average guy realizes he doesn't have to accept any system on the basis of one set of credentials—and that includes the Census Bureau."

"People need not accept the assertion that surrender of the right to be let alone is the price we must pay for responsive government."

"In fact," Gallagher continued, "we had better not accept it."

"If all the information the government has within its files today—total information on every American citizen—were computerized, it could be stored in a room 10,000 feet square."

"And what we would have is the ingredients of what could be easily converted into a personal intelligence-type dossier on every American citizen existing at the other end of a button."

SOCIETY ON RECORDS

"Personally, I would be more concerned about the finger on that button than the one on the trigger of the Hydrogen Bomb."

Gallagher pondered a moment; then he said.

"What we are really doing here is creating a society in which the individual is tyrannized by records—records over which he has no control, records whose accuracy he cannot verify, records, however innocuous now, could be dangerous not only to himself but to his descendants in the future."

The congressman paused again; then he added, thoughtfully:

"Our dedication to efficiency and economy will, in my opinion create a new ruling class—a non-intellectual elite—that will

measure everything, including human dignity, statistically.

"This new oligarchy—the button pushers—will be more frightening than anything George Orwell ever dreamed of."

"They'll make even 'Big Brother' look like a member of the junior varsity!"

INTER-AMERICAN DEVELOPMENT BANK

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHLEY] may extend his remarks at this point in the Record and include extraneous matter.

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

There was no objection.

Mr. ASHLEY. Mr. Speaker, I wish to bring to the attention of the Members H.R. 9547, which is scheduled for floor action later this week. H.R. 9547 would authorize our participation in the Inter-American Development Bank to the extent of \$300 million per year for a period of 3 years. It is urgent legislation, and I sincerely hope that all of the Members will support the bill when it reaches the floor.

For those of you who may be relatively unfamiliar with the Inter-American Development Bank, I recommend that you examine the IDB 1966 Annual Report. The report is one of the finest I have ever read, particularly because it discusses bank projects and outstanding loans on a project-by-project and country-by-country basis. To illustrate the quality of the report, I offer as an example the report of a student loan fund project to the Republic of Panama which appears on page 69 of the annual report.

Additionally, I am including an article by Warren Wilhelm that appeared in the October 1966 issue of Fortune magazine, entitled "There's Plenty of Promise in the Underdeveloped Land." Despite pessimism surrounding the task of bringing development to the underdeveloped world, the article finds hope for the future in the growing body of professional management and experience being brought to bear on the task. In the conclusion, the article pays special tribute to the Inter-American Development Bank as one of the capital-providing agencies serving effectively as mentor for the developing world.

There have been a number of articles specifically praising various programs of the Inter-American Development Bank, and I am including a sampling of them for the Members' information.

PANAMA

(Student loan fund. \$700,000 20-year 2¼% loan of March 17, 1966. Borrower: Republic of Panama.)

Panama has a shortage of professionally trained persons in specialized fields, a factor which hampers its economic and social growth. Although the University of Panama has a large enrollment, only limited numbers of students graduate due, in part, to the fact that students lack funds to devote themselves full-time to their studies. More than 90 per cent of the University's students carry out their studies on a part-time basis or leave school before graduation.

This loan will help correct this situation

by contributing to the establishment of a \$1 million "Student Loan Fund" designed to enable students to complete their college education, to pursue post-graduate courses or to carry out technical or vocational training. Low-interest, medium-term loans will be made from the Fund to finance training for undergraduates, and for university and vocational professors. Up to \$40,000 of the loan will finance technical assistance services connected with the execution of the program.

The program is being carried out by the *Instituto para la Formación y Aprovechamiento de los Recursos Humanos*, an autonomous Panamanian agency established in 1965 to administer public funds devoted to scholarships. The program will enable students to pursue specialized courses in such fields as agronomy, engineering, economics, public administration, mathematics, physics, chemistry and biology.

[From Fortune magazine, Oct. 1966]

THERE'S PLENTY OF PROMISE IN THE UNDERDEVELOPED LAND

(NOTE.—In our present pessimism, we are overlooking the positive factors of management and experience that have changed the prospects.)

(By Warren Wilhelm¹)

The past year has seen a growing disquiet about the developing areas of the world. The "population explosion" has numbed our confidence, and "widening gap" has become part of our language. Secretary of Defense McNamara, in his Montreal address in May, spoke of the "hungering half of the human race," and went on to say: "Given the certain connection between economic stagnation and the incidence of violence, the years that lie ahead for the nations in the southern half of the globe are pregnant with violence." When the Senate pugnaciously attacked the foreign-aid bill in late summer, it was clear that the attackers were motivated in part by disappointment with results in the developing countries. The Germans these days speak of *Entwicklungsmüdigkeit*—"development weariness."

Whether our present foreboding mood reflects an accurate estimate of the future in the developing countries is a momentous question—"basic," says Secretary of State Dean Rusk, "to the welfare, and even the survival, of the human race." In my opinion, there are fundamental grounds for a much brighter view than currently prevails. If we get on with the job, a large number of developing countries can, over the next five to ten years, achieve growth rates at least equal to, and in many cases well in excess of, those of the wealthy countries.

Progress in the developing areas, over the postwar period as a whole, has unquestionably been too slow, too irregular, and too uncertain to give us a favorable view of the future if we merely extrapolate past trends. But in our prevailing pessimism we are letting the past obscure the future, and overlooking involvements that have importantly changed the prospects. The past several years have brought a great accumulation of experience, knowledge, and organization in the development field. They have also brought a

great improvement in relations between the developing countries and private capital.

Perhaps the most important sign of change is that a diversity of underdeveloped countries has accepted in principle the Convention on the Settlement of Investment Disputes, which, if it goes into effect, will establish a new arbitration-conciliation center under the auspices of the World Bank. It will give the private international investor, for the first time, direct access to an international tribunal to resolve a dispute with a sovereign nation over his legal rights.

From the vantage point of abundant experience in development, Paul Hoffman, head of the United Nations Development Program (and formerly director of the Marshall plan), says it's a "rich, rich, stupid, stupid" world. He means rich in its human and material resources, stupid in its failure to develop them. But the world has become less stupid—or, to put it another way, wiser. We can expect the management of economic development to be more effective in the future than it has been in the past. This, then, is hardly the time to let ourselves get discouraged.

Economic development in the underdeveloped world is a quite new concern of mankind. It traces back only to 1949. Prior to President Truman's Point Four speech in that year, the U.S. Government had no official policy whatever toward economic development. The World Bank was organized shortly after World War II, but it did not begin to lend to developing countries on any scale until 1949. (The Inter-American Development Bank did not get into operation until eleven years later.) In 1949 the Harvard University libraries contained not a single book on economic development that by present standards would be considered even remotely adequate.

Development, then, began a mere seven-teen years ago, with no body of knowledge or theory, few experienced people, a meager organizational structure, no national policies in the capital-exporting countries, and in the developing countries themselves no clear ideas of where they wanted to go, much less how to get there. Today, when the World Bank opens development talks with a new country, it supplies a reading list of 400 books. Development has become a major profession. The World Bank, including the affiliated International Finance Corporation, has a professional staff of 700, the Inter-American Development Bank about 360. Other thousands of development experts are in such organizations as AID (the U.S. foreign-aid agency) and in the economic ministries and development banks of the underdeveloped countries themselves. The grand total of professional developers—"those who talk to each other about development," as one expert puts it—is on the order of 100,000.

CEMENT TO HOLD THE WORLD TOGETHER

Such capital-providing agencies as the World Bank and the Inter-American Development Bank are the mentors, and the disciplinarians, of the developing world. Felipe Herrera, president of the Inter-American Bank, says, for example, that when a new government takes over in Latin America, constitutionally or otherwise, it is now a matter of course that the key members of the new economic team come to Washington for a thorough economic review with him and his staff. As cement to hold the world together, the professional developers and their organizations are more than we have had a right to expect. They serve not only as economic bridges, but as political bridges too. When Small Mahroug, director of the Algerian Development Fund, visits Washington to discuss World Bank financing of a project, the man he talks to is Munir Benjek, a Turk, who reports to Abdel G. El Emary, head of the bank's African Department, an Egyptian. In the elevators of the Inter-American Bank the conversation is mostly in Spanish. The specter of an eventual hostile confrontation

between a rich Northern Hemisphere and a stagnant, economically desperate Southern Hemisphere seems very unreal in the offices of the World Bank and the Inter-American Bank.

The planes in the skies above the continents are increasingly filled with public and private developers—World Bank and Inter-American Bank missions, Washington-bound teams from underdeveloped countries, private consultants, engineers, bankers, international vice presidents of industrial corporations. Their constructive and hopeful voices are heard in every one of the poorer countries. They are magnets drawing developing-country energy toward the priority of development, and away from the political ratholes into which it would otherwise go: "Crush Malaysia," "Drive Israel into the Sea," "India-Pakistan conflict, or whatever."

OVERCOMING THE STRING-PUSHING FUTILITY

If the intellectuals and official policy makers of the West came late to placing a priority upon development, most of the developing countries were even later. Some are still delaying. There is a string-pushing futility, the professional developers have found, in trying to help a country if its leaders have not made up their minds that they really want development. "You can't export know-how," says Paul Hoffman. "It has to be imported."

The developers have come to the view that their efforts get the best results when it is possible to work through regional development organizations. If well managed, such organizations not only can help in the allocation of aid and in the policing of national economic policies, but can creatively push, organize, guide, create, motivate. One of the most effective regional organizations is CIAP (the Spanish initials of Inter-American Committee on the Alliance for Progress), which is headed by Carlos Sanz de Santamaría, formerly Finance Minister of Colombia. With a mandate much like that of the Marshall plan's Organization for European Economic Cooperation, CIAP evaluates individual countries' plans and performances, and comments with considerable force when economics is giving way to politics, or when priorities are being ignored. In the words of Felipe Herrera, "CIAP can take the political responsibility for development much more effectively than anything we have had before."

Other promising regional organizations are emerging. An Organization for Regional Development is being formed by Turkey, Iran, and Pakistan. A new Asian Development Bank held its first directors' meeting in Tehran last month. In Africa, AID is studying how to encourage the new African Development Bank, headquartered in Abidjan, Ivory Coast, to become a sort of African CIAP. A substantial part of AID's funds for Africa may eventually be channeled through this new institution.

HARSH TREATMENT OF A REPUTATION

While the public developers have been expanding and diversifying the organizational structure of development, a profound evolution has been going on—gradual, many-faceted, difficult to measure, but unquestionably real—in relations between the developing countries and international private capital. At the end of World War II, international investment was virtually a lost art, dormant since the onset of the great depression. And in the developing areas there were formidable barriers of suspicion and ideology during the early postwar years.

The developing countries and private capital have in recent years moved a long way toward a basic *rapprochement*. Of fundamental importance in bringing about the change has been the harsh treatment that time and events have inflicted upon the reputation of Communism as an economic system: the economic agonies of China, the

¹ An economist by training (Yale, Harvard Graduate School), Warren Wilhelm has worked in the economic-development field since the Truman Administration's Point Four program, when as a Budget Bureau staffer he argued perceptively that large-scale investment would be required to get the underdeveloped countries moving. In 1963-64 he was a leading participant in the formation of ADELA, a multi-national private consortium organized to strengthen the momentum of investment in Latin America. Formerly head of international economics at Texaco, he is now a staff member of Arthur D. Little, Inc.

drab performance of Eastern Europe, the economic failure of Castro's Cuba. The stagnation of Indonesia under Sukarno and the near collapse of Brazil under Goulart added their imprints. Mutual experience has helped too, enlightening both developing countries and international private investors. Each creative new venture produces, for both sides, new precedents and new ways of looking at things.

There has been a gradual shift from dogmatic to pragmatic thinking. India, for example, for years the most rigidly doctrinaire of the major developing countries in restricting the role of foreign private capital, has now, at a stroke, cleared away important barriers to foreign investment in fertilizer production. The natal cry in the new countries, in the early postwar years, was "It is our country, ours, all ours," and many of the national leaders saw nothing either morally wrong or economically disadvantageous in expropriation of foreign-owned assets; today, in contrast, it is not easy to identify a single government that stands in favor of expropriation without appropriate compensation.

The new Convention on the Settlement of Investment Disputes, indeed, could become a wellspring of new international law, bringing to foreign private investment in the developing world a large measure of the security it now enjoys in the developed world. It is a basic principle of the convention that disputes may be brought before the center only by common consent, but the convention provides for the possibility of prior consent—written into a country's investment law, perhaps, or into a concession agreement. In such cases a private investor, before putting up his money, would be assured of recourse to the center, in case of dispute. There is also provision that any contracting state, whether involved in the dispute or not, is required to "recognize" an arbitration award "as binding and enforce within its territories the pecuniary obligations imposed by that award."

The convention tracks back, in part, to a campaign undertaken by Hermann Abs, board chairman of the Deutsche Bank, who in 1957 began circulating a draft outline of the treatment that a private investor in another country had a right to expect (the "Capitalist Magna Carta," he called it). Later on, in considerably redrafted form, it was adopted by the Organization for Economic Cooperation and Development. The developing countries, however, felt that the OECD convention was one-sided, setting forth somebody else's rights and their obligations; and without their acceptance, of course, it could have no effective meaning. New efforts to find a solution went forward under the leadership of the World Bank, and in 1963-64 representatives of developed and developing countries held consultative meetings at Addis Ababa, Santiago de Chile, Geneva, and Bangkok. All together, lawyers from eighty-six World Bank member countries participated, hammering out a document that promised to be acceptable to a majority of the developing countries.

A PROFOUNDLY ENCOURAGING SIGN

Twenty ratifications are required to bring the center into being. As of late July, there were forty-five signatories (including the majority of African states), and eleven instruments of ratification had been deposited at the bank. With a dozen or more additional ratifications apparently on the way, it seemed clear that the convention would go into effect, even though the Latin Americans were holding out.² It seemed reasonable, moreover,

² The convention, Latin Americans argue, runs counter to the spirit of the Calvo Doctrine, which declares that military or diplomatic intervention may not be used in an effort to collect pecuniary claims of a citizen

to expect that if the convention gained wide acceptance the Latin-American countries, too, would join, one after another. But then, in the Senate rampage during the foreign-aid debate, Minority Leader Everett Dirksen inserted an amendment to require countries receiving U.S. aid to accept recourse to the center. Friendly countries cried that since the fist of U.S. power could now be seen behind the convention, they would have to reconsider their adherence to it.

The Dirksen amendment was finally killed in the Senate-House conference committee, but we may need months of patient work to get the convention ratified and bring the center into effective operation. The task is one that well merits the support of the U.S. business community. In the meantime, however, acceptance of the convention concept by a large number of developing countries before Senator Dirksen intervened stands as a profoundly encouraging sign of how far the developing world has come in awareness of the need to give foreign private investment a framework of legal protection.

THE POTENTIAL DEMAND EXPLOSION

That the developing world needs an enlarging flow of outside capital is elementary. What is not widely understood is the prospect that capital plus effective management of development will produce very high growth rates in some parts of the developing world. In our current pessimism, we underestimate the potentials here. In particular we underestimate the economic lift that can result from large increases in agricultural productivity.

An industrialized nation functioning at close to full employment cannot sustain growth of more than 2 or 3 percent a year in real per capita G.N.P.—with most of the labor force already productively employed, no surge in output is possible. But in the developing countries, much or most of the labor force is employed in subsistence agriculture, producing little more than enough to enable themselves to survive. These masses are virtually outside the market economy. Combinations of greater fertilizer use, better seed, and more modern methods can multiply production per farmer in the poor countries by a factor of two or three or more, and such leaps in productivity will be required to feed expanding populations and raise present nutritional levels. As productivity increases, farm families will acquire purchasing power. The potential shift into the market economy of millions of rural families carries with it the possibility of sharp increases in economic growth rates and an explosion in demand for an increasingly wide range of consumer goods.

I certainly do not want to suggest that I think the entire developing world is on the verge of a takeoff. There are countries, especially in central Africa, where the building of a minimum base of political institutions, trained personnel, and communications will have to precede any significant growth in real per capita G.N.P. In the years ahead, moreover, as Secretary McNamara forecast, many countries in the developing world will be seething with the tumult and turmoil of profound social change. But when private capital has the protection of the rule of law in the developing countries, tranquility will not be a requisite—especially when companies have to face a choice between going in themselves and letting competitors take the business that certainly will be there. With the capacity to manage development now greatly

of one country against the government of another country. The doctrine is written into several Latin-American constitutions. Named after the Argentine jurist Carlos Calvo (1824-1906), it was enunciated as a result of the British-German-Italian blockade of Venezuelan ports in 1902, after that country had defaulted on loans.

strengthened, on both the private and the public side, the opportunities stand out in new perspective.

[From the American Banker, Oct. 26, 1966]
IADB PRE-INVESTMENT FUND WILL SPUR REALISTIC REGIONAL PROJECT PROPOSAL
(By Felipe Herrera, president, Inter-American Development Bank, Washington)

One of the serious bottlenecks in the flow of development capital to Latin America is the lack of project proposals suitably prepared for financing by lending institutions. In an effort to help its Latin American member countries overcome this obstacle to development, the Inter-American Development Bank has taken two major steps during the past few months:

One involved a decision to provide loans to its member countries to enable them to establish rotating funds to finance the preparation of public and private development projects.

The other was the establishment of a special fund within the bank to foster broad multinational regional development projects in Latin America, thus effectively contributing to one of the area's principal goals—economic integration.

Ideally, the determination of the financial and technical viability of a project and its contribution to the economic goals of a nation is a question which the prospective borrower himself should analyze and formalize in a project proposal—particularly if it is to be submitted to official national sources of financing, or external sources such as the Inter-American Bank.

These sources could then evaluate the request according to their own criteria and make a speedy decision as to their position with regard to financing.

In practice, however, there is a direct relationship between the degree of development of a nation and its general capacity to formulate projects.

Many requests submitted to the bank appear prima facie qualified for financing within its general criteria, but their transformation into a rational project proposal, susceptible of rigorous analysis with the conventional set of financial and economic tools and technical criteria is generally beyond the capacity of the average prospective borrower.

To transform an idea into a feasible project is oftentimes an expensive and painstaking task.

The formulation of national economic plans in Latin America and the determination of sectoral priorities within them has been of great aid in clarifying the relative priority of a given project proposal to the national development goals. Still, the identification and formulation of specific projects—the pre-investment stage—remains a problem.

Since its inception the Inter-American Bank has made vigorous efforts to alleviate this bottleneck, and a major portion of its technical assistance has been designed to relieve it.

As part of this effort, the bank last year decided to help its member countries speed up the process of project preparation and expand the number of proposals formulated well enough to meet the requirements of financing sources, by providing loans to agencies in the member countries to help them capitalize "pre-investment funds" to assist public and private enterprises finance the technical services needed for project preparation, as well as complementary sectoral surveys to determine their economic feasibility.

Thus far, eight member countries—Argentina, Bolivia, Brazil, Chile, Honduras, Nicaragua, Paraguay and Uruguay—and the Central American Bank for Economic Integration, have received such assistance. Other nations

will receive such assistance in the near future.

The Pre-Investment Fund for Latin American Integration endows the IAB itself with a similar fund, but designed specifically to provide financing for the formulation of projects and the preparation of sectional surveys relating to undertakings of a multinational scope—whose direct impact will be reflected not only within a given country—but also beyond its frontiers.

This fund grew out of the need for broad development on a regional scale in Latin America in line with the requirements of its integration process.

There is no question that Latin America has begun to move along a path of regionalization and that there is considerable support for the creation of an economic community with the attributes of a common market.

In pledging United States support to this integration process, President Johnson last August succinctly expressed the rationale behind it, when he said:

"In the total development of Latin America, national and local plans and projects are most important. But regional plans and collaboration are absolutely essential. Nineteen fertilizer industries, 19 steel complexes, 19 different systems of tariffs—these would signify only stagnation and inefficiency and, in many instances, pure waste."

Armed with the pre-investment fund and with the specific directive of its member countries, the Inter-American Bank is now in a position to embark on the financing of pre-investment studies related to projects of regional significance.

In preparation for carrying out this task, the bank has secured the advice of its member countries, and of independent sources, for the formulation of the investment strategy and work program of the pre-investment fund.

Just last month, the bank received a report from a consulting firm it engaged in December last year—Development and Resources Corp. of New York—making recommendations for the use of the fund.

In suggesting the major elements of an investment policy for such fund, the report notes that "there is no reason for assuming that multinational projects are systematically discriminated against in country planning," and adds:

"Most multinational projects should in fact complement national projects. They will open new areas and make economically feasible the development of local industries that otherwise would be submarginal. In normal circumstances they should strengthen national plans and broaden the options open to a country."

The bank is now in the process of determining the specific guidelines which it will follow in using the resources of the pre-investment fund, and is making preliminary analyses of project ideas which appear to merit priority.

These two steps to promote the formulation of projects—at the national level on the one hand, and at the regional level, on the other—signal a future increase in the effective demand for development funds for Latin development from international financial sources.

GAP BETWEEN RICH AND POOR NATIONS WIDENING; ALLIANCE FOR PROGRESS HAS FAILED TO REVERSE TREND—POVERTY, HUNGER BRINGING UNREST AND DISORDER

(By Marquis W. Childs)

WASHINGTON, Sept. 18.—The rich lands are getting richer and the poor lands are getting poorer. That is the harsh reality that cannot be concealed by any amount of wishful talk put out by Administration spokesmen.

This applies with special force to Latin America because the Alliance for Progress was to reverse the trend in this hemisphere. In

country after country the gnawing ache of poverty, hunger, and the revolution of rising demands bring unrest and disorder. It is no answer, as Senator J. William Fulbright noted in his speech on the Dominican crisis, to put this down to the machinations of a handful of Communists. Communism will always try to exploit indigenous disorder.

A recent statement that was given little attention underwrites the reality about Latin America. Felipe Herrera, president of the Inter-American Development Bank, a Chilean with wide banking experience, in discussing the prospect of a common market for Latin America, made some personal observations about the present state of affairs. He said:

"The positive efforts undertaken internally by the Latin American countries, especially since the establishment of the Alliance for Progress, to accelerate development and to achieve the necessary reforms in their economic and social structures have not yet substantially altered the current situation in Latin America. Two out of three inhabitants of the region still suffer from chronic malnutrition, per capita agricultural output is lower today than it was 30 years ago and two out of every five adults are illiterate."

"It is not surprising therefore that tensions of every sort are rising as a product of the interacting processes of inflation, substandard social conditions, urban pressures created by the mass movement of the rural population to the cities, frustration in the middle class and unrest in the countryside. This inevitably has forced governments to take emergency action on a stopgap basis and has made it difficult to undertake long-term programs on a regional level."

The prospect in the near future is therefore for more explosions like that in the Dominican Republic. Herrera's statement confirms this reporter's findings in a recent tour of South America. It belies the convenient explanation of State Department spokesmen such as Under Secretary Thomas C. Mann who tends to see the unrest in terms of a Communist plot that can be suppressed by force.

Herrera pointed to a recent statement by President George Woods of the World Bank. Addressing the developed countries of the West, Woods said that the present level of financing (for the underdeveloped countries) is wholly inadequate.

Since 1961 the long term public capital supplied by the developed countries to nations struggling to get going has held at about the same level. This has been true even though the gross national product of the industrialized countries has increased in this period at a rate of 4 to 5 per cent a year. Consequently, Herrera observed, the net official assistance from the industrialized countries represents a declining percentage of their national income.

For the underdeveloped countries this level of aid has meant a decreasing amount in per capita terms because of the population explosion. This is the simple arithmetic demonstrating that the rich are getting richer while the poor get poorer.

In spite of a steadily increasing population, as Herrera noted, per capita income increased by over 2.5 per cent in 1964 which was the goal set by the charter of Punta del Este in 1961. The same increase is in prospect of 1965. This was part of the optimism expressed by Assistant Secretary for Inter-American Affairs Jack Hood Vaughn on his recent tour of the Americas.

The 2.5 per cent gain is from such a low base—about \$200 a year in many countries—that it is meaningless. Vaughn noted that the Alliance is doing many splendid things, pointing the way to the changes essential if the desperately poor nations to the south are to move forward and begin the kind of economic integration that can mean real progress.

But it is the limited scale on which these

changes have begun to take place that cannot be concealed by optimistic talk. For what the facts show, as a responsible banker has now suggested, is the need for a new and far broader dimension for the Alliance.

A book that President Lyndon B. Johnson is said to have read and re-read is Barbara Ward's "The Rich Nations and the Poor Nations." It has been suggested that a new edition, "Richer Nations and Poorer Nations," is due.

The paradox in Latin America is that although aid has substantially increased in actual amount the net result for the region is on the minus side of the ledger. With a population increase as high as any in the world, the Latin nations must run hard in order not to slip back.

Herrera noted that public assistance had increased in significant amounts, especially from the United States and international and regional financial institutions. Public development loans from these sources to Latin America increased from \$400,000,000 annually in the 1957-60 period to close to one billion dollars a year from 1961 to 1964. But this did not begin to make up for the gap caused by the weak internal market and the uncertainties of the external market.

There is, in fact, no real consumers' market in Latin America, because 75 per cent or more of the population live at the subsistence level. This means that it is all but impossible to accumulate capital within the economy. Insofar as the external market is concerned, Herrera notes:

The fundamental structural problems (of the economy) remain unsolved. Foremost among these is the weakness displayed by the external trade sector. With a few exceptions, short and long term prospects for the basic commodities produced by the region are rather uncertain and industrialization has failed to compensate for the extreme fluctuations in external demand because of the reduced size of the domestic markets and the lack of competitiveness in foreign markets.

"This weakness of the external sector has had repercussions on the increasing level of long term external public debt which has increased from 5.7 billion dollars in 1958 to 11.1 billion dollars in 1964. The service on this debt has increased during the same period from \$780,000,000 in 1958 to 1.6 billion dollars in 1964."

Because of certain basic deficiencies, Herrera sees little hope for any rapid move toward integration. He lists the two most important needs as transportation and communication. To point this up, he notes that Latin America has only 8 per cent of the world's railroad network and 3.2 per cent of the all-weather road system. Maritime transportation is no better with the lack of adequate port facilities in most countries and with a maritime fleet that cannot come even close to the actual needs of intra-regional trade.

Hardly 6 per cent of the cargo entering and leaving the region is carried in Latin American flag ships, which receive only 11 per cent of the area's freight charges. This is why in recent years the annual balance of payments deficit of the 19 Latin American republics on account of freight insurance and similar charges amounts to about \$700,000,000.

One reason for the shipping deficiency is the monopoly held by North American companies. These companies resist any effort to break their monopoly and they profit generously by the requirement that all goods shipped under the aid program must be carried in United States flag ships. This cost factor greatly reduces the value of aid the Latin American nations receive.

Central America has made far more rapid progress toward integration than South America. In Central America, intraregional trade has tripled in four years and its share

of the total trade of the region increased from 7 to 15 per cent. The Central American Bank for Economic Integration promotes through loans and technical assistance regional industries, highways, electrification and housing. The bank has just been made administrator of an integration fund of \$42,000,000 of which \$35,000,000 came in a 40-year loan from the United States government.

"It is impossible for a disintegrated Latin America, with rudimentary or backward educational systems, with only a few research institutions comparable to those found in more advanced regions of the world, to receive massive benefits from modern technologies," Herrera says. "The establishment of a Latin American common market would create the conditions and requests for such development. But at the same time, the region requires joint scientific and technical activities to share the inherently high cost which these types of processes imply."

He believes that although the lag is great in South America, where the nine Latin American Free Trade Association countries have set 1973 as the date for a free trade zone, the time has come for the formation of multinational mechanisms to speed the process. It is taking place to some degree in parts of the economy with the Latin American Iron and Steel Institute founded in 1959 having a significant effect in the steel-producing countries. A study looking to a coordinated effort to produce urgently needed fertilizers is being made with the clear indication that this can be done far more efficiently and economically on a regional rather than a separate national basis.

As Herrera notes, there are signs of progress. But unfortunately, they are few and far between when measured against the growing need of the great region that is on the doorstep of the United States. It could, as the Alliance for Progress intended, become the star example of development of a backward area. The pattern seems, however, to be the same as in Africa and Asia—as North America grows richer Latin America grows poorer.

[From the American Banker, May 13, 1965]

AIM OF SOFT LOANS IS SOLID GROWTH
(By Felipe Herrera, president, Inter-American Development Bank, Washington)

For the past several years I have had the privilege of contributing an article to this special Latin American edition. On each of these occasions I have sought to point out the outstanding highlights of the Bank's activities.

Five years in the life of the Bank have just gone by, so in this article I shall point out the highlights of the Bank's activity in the first half of the 1960 decade, and outline tasks which I believe lie ahead for it in the next few years. I shall also comment briefly on some problems facing Latin America in obtaining the external financing required for its future development.

Among the highlights, which I was able to outline at the Bank's sixth annual meeting, held in Asuncion, Paraguay, late last month, are the following:

A lending volume which has risen to 277 loans totaling \$1,252.1 million.

A triplefold increase in the Bank's original \$1 billion financial structure as member countries sought to ensure its future lending rate. When payments on all the increases approved by the Bank's Board of Governors have been completed, the Bank's authorized ordinary capital resources will have risen to \$2.15 billion, its Fund for Special Operations to slightly more than \$1.1 billion. These figures added to the resources of the Social Progress Trust Fund—the \$525 million fund which the Bank administers under agreement with the United States within the framework of the Alliance for Progress—

bring the Bank's total resources to some \$3.8 billion.

Disbursements which had gone up to more than \$450 million.

Technical assistance authorizations of nearly \$35 million, extended in both reimbursable and non-reimbursable form.

Bond sales in the capital markets of the United States and Europe of more than \$272.6 million.

In connection with the Bank's lending, I should like to point out that Latin American borrowers put up nearly twice as much financing as that provided by the Bank. Thus the total cost of the projects which the Bank had authorized up to the time of the Asuncion Meeting was \$3,640 million.

By fields of activity 23.2% of the Bank's lending has gone into manufacturing activities, 24.5% into agriculture, 17.6% into potable water and sanitation, 17.2% into housing, and 10.9% into power and transportation. The remaining 6.6% went for higher education, pre-investment activities and to finance exports among the Latin American countries.

IMPACT OF BANK-FINANCED BUILDING

A noteworthy feature of the recent past has been the rapidly growing rate of actual construction of projects being financed with the Bank's funds. A few statistics serve to illustrate this real impact of the Bank's activity on the Latin American scene.

By the end of the first quarter of 1965, some 15 new industrial plants had been completed. Four new ones were under construction and building was going forward on seven new plants and the expansion of 14 others. Also, 1,500 credits had been extended to small and medium enterprises from loans extended by the Bank to development institutions.

In the agricultural field, some 1.4 million hectares were being brought under cultivation with the help of Bank loans, and nearly 100,000 credits had been extended to farmers from loans to development agencies.

Some 306 water and 70 sewer systems had been completed, and 356 water and 37 sewer systems were under construction. These ranged from systems for villages of less than 1,000 inhabitants to such multimillion population cities as Rio de Janeiro, Buenos Aires and Santiago. When all these projects are completed they will have benefited some 24 million inhabitants.

A total of 64,000 housing units have already been built, a similar number are in various stages of construction and slightly more than 100,000 are in the planning stage.

In the electric power field, some 1,740,000 kilowatts of generating capacity and 8,300 kilometers of transmission lines are also under construction.

The Bank's activity has not been confined solely to financing economic and social development. During the past five years its counsels in regional and international forums have grown steadily more important, particularly in hastening integration in Latin America, in helping to bring about long-range planning of Latin America's individual and collective development, in promoting the essential social reforms provided for in the Alliance for Progress and in seeking to link the more advanced nations of the world more closely to the financing of Latin America's development.

In connection with the Bank's increasing role in the field of integration, the sixth annual meeting of the Board of Governors of the Inter-American Bank formally expressed its "broadest possible support" for the Bank's efforts to expedite and promote the process.

It also backed the Bank's efforts "in its capacity as the multilateral institution representing Latin America in the financial field" in seeking increased financial and technical resources from non-member countries for Latin America's development.

In addition to its bond sales, the Bank has vigorously sought to mobilize resources, particularly from Western Europe, through the sale of participations in its loans (as it does in the United States also) through the administration of funds under trust arrangements and through parallel financing operations. Through this means the Bank expects to have mobilized within a short while, in one form or another, funds from non-member countries estimated at more than \$120 million.

FUTURE TASKS OUTLINED

While these accomplishments are remarkable, much still remains to be done. For the future I should like to outline some of the tasks that still lie ahead for the Inter-American Bank, if it is to strengthen its effectiveness in contributing to a solution of Latin America's economic problems.

First, the Bank must redouble its efforts to help Latin American countries to achieve higher rates of economic growth at both the national and regional levels. The Bank's activities must be governed by the principle that national and regional development go hand-in-hand and provide the dynamic impetus needed to benefit all our peoples.

Second, the Bank must strengthen its multilateral character, striving always to bring the more advanced members of the system into closer association with the less advanced ones in order to help them overcome their backwardness. This aspiration of the Bank reflects the true spirit of the Alliance for Progress.

Third, the Bank must continue to expand its lending capacity progressively and wisely, always seeking to bring about balance, in its lending activities, between economic and social investments, between infrastructure and processing activities and between agriculture and industry. The Bank must also strive for harmony between sound balance-of-payments positions and more intensive and effective internal growth and between an efficient, well-managed public sector and a dynamic and productive private enterprise sector.

Fourth, as disbursements have mounted and construction projects have gone forward apace, the Bank has had to devote an increasing amount of its attention to safeguarding the proper execution and administration of its investments. In the future it will have to devote even more effort to this aspect of its activities.

Fifth, the Bank must step up its activity in helping member countries to improve their financial mechanisms, to evaluate their financing needs and to train their management personnel.

SPECIAL LATIN AMERICAN PROBLEMS

Having said this about the Bank's activities and its future role, I would now like to turn briefly to problems connected with financing Latin America's development.

Development financing projects are closely identified with prevailing trends in foreign trade and it is becoming increasingly apparent that, until Latin American exports are able to generate sufficient foreign currency earnings to cover import requirements—particularly for capital goods—the region will have to supplement its own savings with public and private funds obtained abroad.

It is no coincidence that during periods of weakness in its foreign income sector, Latin America has had to resort to borrowing funds on the international markets, often under unfavorable terms and conditions. Many of the problems besetting certain Latin American countries stem from this situation.

During the past year, the Inter-American Committee on the Alliance for Progress, after a thorough country-by-country review, concluded that regional balance-of-payments deficits on current account would amount to \$1.1 billion in 1965, and \$1.4 billion in 1966.

If the cost of service on the foreign public debt and compulsory minor increases in international monetary reserves is added to this figure, Latin America's gross foreign financial requirements would be \$3.2 billion in 1965 and \$2.9 billion in 1966.

These requirements have to be met by additional public investment, direct private investment and suppliers' credits. However, at present this is not happening. Although disbursements on loans already authorized are estimated this year at \$1.3 billion and private investments at \$200 million, and refinancing of short-term indebtedness in various countries is expected to be substantial, the gap remaining in Latin America's foreign financing points up the need for a further broad expansion of public and private financing from abroad.

An argument can be made, and justifiably, that the mere injection of new funds, particularly in the form of credits, may bring about a short-term solution. However, it also tends to extend imbalances into the future, with the same disadvantages now being experienced by some Latin American countries.

NEED FOR "SOFT" LOANS

All of these factors confirm the wisdom of the criteria maintained by the Bank's Board of Governors and by its Board of Directors during the past few years that Latin America not only needs foreign credit, but that such credit must be provided on conditions that will not excessively burden the balance-of-payments position over reasonable periods of time. This is why the Bank must be able to count on funds that can be loaned on soft or flexible conditions.

In the decade between 1956 and 1966, for example, Latin America's foreign public debt, payable in hard currencies at terms of more than one year, will have increased 147%, from \$4.3 billion to \$10.6 billion. During the same period of time, payments of principal and interest will have virtually tripled, from \$455 million to \$1.36 billion a year.

Thus, while the foreign debt service burden, in relation to balance-of-payments receipts on current account, was 5.5% in 1956, it reached 15.4% in 1964. The rates in 1964 in four Latin American countries exceeded 20%, with amortization accounting for 75% of the service.

More than 50% of pending foreign indebtedness must be paid within the next five years. Only 28% has a term of more than 10 years.

Latin America is in a position to deal with this problem, but it needs cooperation on the international level to prevent a deterioration in its terms of trade which have been firmer in the last two years than in previous ones, registering a gain of 8% in the index level between 1961 and mid-1964.

Latin America still needs understanding from the capital-exporting countries of the problem of servicing its past debts, and it needs a greater flow of financial resources from other regions.

It is imperative also that the Latin American nations work out sound domestic financial policies in order to prevent the inflationary pressures that conspire to unbalance its foreign sector.

In addition, Latin American nations must strengthen the process of regional economic integration as an essential tool in achieving adequate industrial and agricultural development growth levels.

CLEAR THINKING

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

The SPEAKER pro tempore. Is there

objection to the request of the gentleman from California?

There was no objection.

Mr. PICKLE. Mr. Speaker, Interstate Commerce Commissioner Willard Deason delivered an outstanding and dynamic address before the Association of ICC Practitioners last month in San Francisco, Calif.

He presented such a fine, common-sense approach to our national problems that I want to call it to the attention of our colleagues.

Against a background of dissidence and criticism, he reminded us of our great national accomplishments, and he emphasized the great need and hope for the future, and the vital role that we, as individuals, and we, as a Nation, must play.

I have long known Commissioner Deason and long admired and respected his wisdom and counsel, and I believe your reflection on his message can go a long way in helping promote a better general understanding of the challenges which we face.

There being no objections, I insert Commissioner Deason's remarks in the RECORD at this point:

LET'S CUSS THE GOVERNMENT, OR, WHAT'S RIGHT WITH AMERICA

(Remarks by Willard Deason, Commissioner, Interstate Commerce Commission, before the Association of I.C.C. Practitioners, San Francisco, Calif., June 22, 1967)

As a schoolboy in south Texas, I was taught to love and honor our country, to respect its flag, to believe in its greatness. I imagine you were too.

Today, it seems that some people have lost sight of that greatness. They have embarked on a path of negative thinking; of downgrading or berating their own government. For them, every day in every way, things are getting worse and worse.

The "hawks" tell us that we should escalate our foreign involvements.

The "doves" cry that we should deescalate. Some critics decry big government and cuss the government's welfare programs.

Others believe the programs should be enlarged.

Labor wants higher salaries.

Business grouches about too much regulation.

Some critics believe that our high schools are inadequate.

Others believe our colleges are teaching the wrong things.

Teachers claim they are underpaid.

And college professors want more academic freedom.

Housewives complain that food prices are too high.

The farmer complains that farm prices are too low.

To many journalists would have us believe America is on her last social, economic, and moral legs.

And everyone cusses taxes.

With all these tales of doom and gloom, I was mildly surprised to learn of the thousands of scientists, doctors, and engineers from other countries who are pouring into the United States each year. This so-called "brain drain" annually involves as many foreign doctors as 30 medical schools can graduate. Five thousand foreign engineers and scientists come to America annually. And nearly 40% of the physicists who received their Ph. Ds abroad end up in the U.S.A.

What lures these people to American shores? Higher incomes? Better living stand-

ards? Professional opportunities based on ability alone?—There must be something right with America.

In my own mind, I've attempted to reconcile the position of those who would cuss America with the position of the educated immigrant who would like to adopt this country as his home. Is it that people in foreign lands just haven't gotten the word on how bad things are here? Or is it that things are not so bad as some would have us imagine? I think the answer is obvious. Most of us are simply too busy complaining and cussing to sit down and count our blessings.

On the occasion of Herbert Hoover's 90th birthday, he said these things: "The critics say we seem to be in a very, very bad way, and engaged in our decline and fall. Criticism is no doubt good for the soul, but we must beware that it does not upset our confidence in ourselves. So perhaps the time has come for Americans to take stock and to think something good about themselves."

That's what my talk is about today.—What's right with America.

For the next few minutes let's count our blessings. Let's compare for the cussers some of our present day conditions with the "good old days," or in relation to conditions found in other countries. First, let's look at our educational system:

Fifty years ago, only 10% of our young people finished high school. Today, that figure is nearly 75%—more than double that of France, West Germany, Italy, or Great Britain.

Fifty years ago, about 4% of our young people went on to college. Today, that figure is nearly 40%.

Only 10% of the young people of Great Britain and France go on to institutions of higher learning.

Now let's look at the protesters and marchers.

During the second week of May, our daily newspapers and TV news programs gave us a full dose of the "peaceniks" who invaded the Pentagon, stomped on its tulips, and slept in its halls. The sleep-ins numbered 12. A bare dozen.

During the same week, over 10,000 young Americans walked into military enlistment centers and offered their services, and perhaps their lives, for our country. Let me repeat the figure—over 10,000 first term enlistments in one week. Unfortunately, one student carrying a sign—wearing a beard and protesting about something, or burning a draft card gets the front page billing. Yet, how much have you read or seen on TV about these 10,000 youngsters who volunteer each week?

In the past year or so the State of California and the City of San Francisco have been over-exposed to hippies, teenyboppers, and dissident college students. They take turns at cussing their university, cussing their state, or cussing their National Government. In the meantime, not enough has been said about California's institutions of higher learning where 60,000 serious-minded young men and women will graduate this year.

Now a word about the economy:

Inflation and the proverbial shrinking dollar are favorite targets for the cussers. But let's translate these criticisms into comparisons in buying power.

The International Labor Office of the United Nations reports that the average Russian labors four times as long as the average American to buy a pound of beef. Six times as long for a pound of butter. And eleven times as long for a dozen of eggs. In China, these items are not available to the average worker at any price, no matter how long he labors. And how about the farmer? The value of farm property has increased 3 fold in the last 50 years—and total farm income has increased every year since 1931.

Americans are the *best fed, best paid, and best educated* people in the world.—That's what's right with America.

How about our health conditions?

Deaths from once dread causes have been cut in half in the last 50 years. Life expectancy has nearly doubled in the last 100 years. Infant mortality rates have been cut in half in just the last 30 years. Artificial kidneys now in use soon will be joined by the artificial heart. Measles are being retired to the pages of history.

Medicare has recently forged an extraordinary partnership involving 19 million elderly persons and a quarter of a million doctors.

Under the medicare program, 5.5 million Americans already have received physicians' services and 3 million have received hospital care.

I do not suggest to you, however, that all is perfect. We still have many problems including unemployment and poverty. And even though America's poorest housing is in a luxury class for the masses of other nations, by our standard, we still have slums. In 1960, however, the Federal Government declared war on these problems.

Today, there are 7 million fewer people living in poverty than there were seven years ago.

The unemployment rate has dropped from 5.7% to less than 4%.

The actual number out of work has been cut by 1½ million.

Operation head start has given three quarters of a million children from poor families a leg up on education.

More than one million persons are receiving job training under Federal programs, compared to none seven years ago.

Of this progress, President Johnson has said: "We may never live to see an America without poverty, but we may see an America where a lifetime of poverty is not the inevitable fate of a child born into it." Those of us here today are immediately interested in transportation—let's examine it.

The transportation industry is far from immune from criticism. But I find it difficult to determine exactly what position the cussers occupy. On the one hand, we read and hear that there is too much regulation, that public policies and regulation are outmoded, or that the Federal Government has its fingers in too many pies. Many of these same cussers seem to be the first to cry foul when the word "deregulation" is mentioned or when a change of policy is hinted. Some of the most vocal would be left holding the bag if the government were to withdraw its interest in transportation.

Let's just see how the transportation industry, in partnership with the Federal Government, has progressed under regulation—or as some cussers would say—in spite of it.

Today, 15 million trucks serve the American public.

In both quality and quantity, America's interstate highways and secondary roads exceed those of any other nation in the world.

The rate of revenue growth for motor carriers in 1966 approached 10%. This exceeds the gross national product growth rate.

The number of passengers carried by the bus industry has increased steadily since 1960.

By standards of the dismal past, railroads appear to be well on the way to recovery.

For the fifth consecutive year, railroad freight volume has grown by better than 5%.

The rate of return on investment for railroads reached a 10-year high last year.

Rail mileage in the United States exceeds that of any other nation in the world.

With assistance from the Federal Government, high-speed rail transportation will become a reality this fall.

Airline passenger miles have more than doubled in the last 10 years.

United States scheduled airline industry has recorded an annual growth rate of 13.5% over the last 15 years.

America exceeds all nations of the world in passenger miles flown.

With the aid of the Federal Government, the supersonic transport soon will be a reality.

What do all these figures mean? Simply that while America's population has grown by less than 50% since 1939, the volume of passenger travel and freight traffic has tripled.

Looking around me today, I feel safe in saying that the Practitioners' Association does not look as though it has suffered as a result of regulation by the Federal Government.

Now let's summarize:

What's right with America?

Our educational system is second to none. We are the most prosperous nation in the world.

Our standard of living is the highest in the world.

We produce more goods—consume more goods—transport more goods than any nation in the world.

We own 29% of the world's railroad mileage.

We own 60% of its automobiles (and there's no 3-year waiting period to buy one).

We own 47% of its trucks.

We own 43% of its radios.

We own 35% of its electric power output.

We own 25% of its steel.

Our health conditions rank favorably with those of all other countries.

Although we account for only 6% of the world's population, we own almost 50% of its wealth.

What's right with America?

Last, and perhaps most important—America is a nation whose citizens are free to cuss the government—without fear and without recrimination.

If I could wave a magic wand and stop the cussing, I would not do so. But in closing, I would like to paraphrase President Hoover with this thought, "Let's not cuss so loud and long that we upset our confidence in ourselves."

ANTIPOVERTY PROGRAM

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. ST GERMAIN] may extend his remarks at this point in the Record and include extraneous matter.

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

There was no objection.

Mr. ST GERMAIN. Mr. Speaker, the very essence of the antipoverty program is to make productive members of society out of those citizens who cannot help themselves due to the agonizing chains of poverty.

It attempts to transform recipients and potential recipients of public assistance into self-sustaining contributors of society. Because of this admirable objective, the antipoverty program is worthy of our continued support and attention, for it has cast new light on many areas of our society where once only darkness prevailed.

One of the many programs initiated by the Office of Economic Opportunity that has generated light where poverty once cast its ugly shadow is the Upward Bound program.

I was particularly delighted to receive a very admirable report from the Office

of Economic Opportunity concerning an Upward Bound project undertaken at Washington State College involving a group of high school students from poverty families.

The success story that it tells is worthy of much note. Therefore, I would at this time like to insert this letter into the Record:

OFFICE OF ECONOMIC OPPORTUNITY,
Washington, D.C., July 7, 1967.

HON. FERNAND J. ST GERMAIN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ST GERMAIN: I thought you would be interested in the details of the Western Washington State College Upward Bound program which was described in part in the *Time* magazine issue of May 26. The background of that story, we feel, is most impressive and represents the kind of effect Upward Bound, a Community Action Program, is having on the way higher education responds to the poverty high school graduate.

Incidentally, the former director of Upward Bound at Western Washington State, Dr. Thomas A. Billings, is now here in the agency as Deputy Director of the national Upward Bound program. It was he who was most responsible for the accomplishments there.

Western's program began in the summer of 1965 as one of 18 OEO pilot projects designed to test the effectiveness of pre-college programs for poverty high school youngsters. Fifty 11th grade high school students were recruited from Seattle and Tacoma ghettos and Washington Indian reservations in May of 1965 and brought to the campus in June, 27 girls and 23 boys. Eighteen of the youngsters were Negro, 17 were white, 12 were American Indian and 3 were oriental. All were from poverty families and the average high school grades among the group was a C-, clearly not the "college-going" American student.

The campus program consisted of two parts: (1) An intensive academic program developed around subjects which are historically stumbling-blocks for college freshmen—science, mathematics, composition, history, and literature. (2) An equally intensive program of cultural enrichment consisting primarily of film festivals, dramatics, athletics and excursions.

At the end of the summer the 50 youngsters returned to their homes to complete their senior year. To assist them in their high school programs, the college Upward Bound staff organized tutorial centers in the high school districts, staffed by volunteers from vitally interested Community Action Agencies, school district teachers, graduate students, and, in the case of Indian youngsters, by employees of the Bureau of Indian Affairs and by VISTA personnel.

All fifty youngsters successfully completed their senior year and 49 of them returned to the Western campus for the second eight weeks residential summer. The second summer, while much like the first, differed in that each student was enrolled in one regular college class. If the youngsters successfully completed the class, college credit was given; if the youngster failed the class, no record was made of the failure.

In September of 1966, forty-four of the original 50 youngsters enrolled at the college for their first full academic year as regular freshmen. Western's Trustees pledged admission to all Upward Bound students who successfully completed the Upward Bound program. (Only six of the youngsters would have been eligible for admission under Western's regular entrance requirements.) Of the six who did not enroll, four married, one enlisted in the Navy and one transferred to nurse training in her community. After considerable difficulty, adequate financial sup-

port for the youngsters was obtained. It consisted of a combination of:

Grants under the Higher Education Act of 1965, National Defense Education Act Loans, Bureau of Indian Affairs Scholarships, Indian Tribal Scholarships, and College scholarships obtained from the private sector.

Beyond admitting the youngsters to the college and working out financial packages for them:

1. The "Associated Student Body" at the college organized an extensive tutoring society which was available to the Upward Bound students whenever necessary. It was much used.

2. The College administration made the youngest and most enthusiastic faculty members available to these particular students as counselors.

3. The College reduced the minimum course load for Upward Bound youngsters who were in academic difficulty.

4. The College brought UB parents to campus as guests of the college for visitations and conferences.

5. The College aggressively sought sources of financial support for the youngsters from service clubs, lodges, private industry.

Perhaps the key to the success of Western's program is in the support it received from the college trustees who announced, when the project began: "This may well be the most significant program this college will sponsor in the second half of this century."

We hope and expect that Upward Bound will ultimately be successful in generating the same sort of significant and remarkable change throughout American higher education. As a crucial part of the Community Action Program, Upward Bound will continue to reach young people who have consistently been overlooked, and to draw upon all available community resources to propel these youngsters out of poverty for good.

With every best wish.

Sincerely,

GEORGE D. MCCARTHY,
Assistant Director for Congressional Relations.

THE AMERICAN GI FORUM OF TEXAS SUPPORTS WAR ON POVERTY

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

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

There was no objection.

Mr. GONZALEZ. Mr. Speaker, the American GI Forum of Texas, at its convention in San Antonio, passed by unanimous vote on July 1, a resolution strongly supporting the Office of Economic Opportunity and commending it for its efforts in behalf of migrants and farmworkers. The forum went "on record as vigorously and strongly opposing any move which would abolish, diminish, or dismember the OEO, and urging the Congress of the United States to strengthen and appropriate additional funds to the OEO." Mr. Speaker, I echo these sentiments. Many of these migrants and farmworkers are Mexican Americans and I believe that OEO has been one of the most effective agencies in helping these people to help themselves. I, too, would like to go on record as strongly opposing any partisan political

maneuver which would decrease the opportunity of the poor to better themselves as would the "opportunity crusade."

At this point in the RECORD I insert the text of this excellent resolution:

THE AMERICAN GI FORUM OF TEXAS SUPPORTS WAR ON POVERTY

The American GI Forum of Texas issued a resolution supporting the efforts of the Office of Economic Opportunity, especially in regard to its work on behalf of Mexican-Americans.

The resolution was passed by unanimous vote on July 1 at the Forum's convention in San Antonio. It states:

"Whereas, among Federal agencies the Office of Economic Opportunity has been one of the most concerned, sensitive and responsive to the plight and needs of the Mexican-American people, and

"Whereas, the Office of Economic Opportunity recognizes that to bring people out of poverty they must be helped to help themselves, has provided for democratic involvement of the people in solving their own problems and has maintained the flexibility to respond positively with a minimum of red tape to the specific needs of impoverished Americans, including Mexican-Americans, and

"Whereas, there are those who, oblivious to many of the problems of the people, would seek to abolish the OEO and place programs in the older, less responsive, more bureaucratic agencies, and

"Whereas, in the State of Texas the Forum is cognizant of and concerned with the slow pace in which community action is being implemented among the Mexican-American population:

"Be it resolved therefore, that the Director of the Office of Economic Opportunity, both in his capacity as Director and as a member of the Interagency Committee on Mexican-American Affairs, be urged to issue directives which would promote more involvement of the poor through employment of Mexican-Americans in policy-making positions in the Regional Office and the implementation of programs which would result in the needed involvement of the poor, and in meaningful community action.

"Be it further resolved, that the American GI Forum of Texas in State Convention 1967, go on record as vigorously and strongly opposing any move which would abolish, diminish or dismember the OEO, and urging the Congress of the United States to strengthen and appropriate additional funds to the OEO.

"Be it further resolved, that the GI Forum of Texas go on record commending the OEO migrant program and its successes in meeting the needs of the American Farm workers, many of whom are Mexican-Americans.

"Finally, be it resolved, that the American GI Forum of Texas be directed to send copies of this resolution to each Congressman and Senator in Texas, and that each individual member of this organization be urged to contact his or her congressman to express the support for OEO reflected in this resolution."

SUPPORT PRICE FOR PEANUTS

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

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

There was no objection.

Mr. ABBITT. Mr. Speaker, the peanut producers of the Virginia-Carolina area,

to my knowledge, are having real financial difficulty so far as their farming operations are concerned due in a large measure to the action taken by the administration as to the support price of peanuts and the increased cost of production.

The Secretary of Agriculture has been adamant in his determination not to increase the support price for peanuts. The peanut producers, through their proper representatives, the Members of Congress from peanut-producing areas and other interested people, have pointed out personally, by letter and otherwise, to the Secretary of Agriculture why it is necessary to have a proper increase in price supports. In a meeting with the Secretary of Agriculture, in which Mr. William V. Rawlings, executive secretary of the Peanut & Hog Growers Association of Virginia; Mr. Robert B. Delano, president of the Virginia Farm Bureau Federation; many other representatives of the peanut producers; many of the Congressmen and Senators from peanut-producing areas, and myself pointed out to the Secretary personally why not only there was a need for an increase in the support price but that such an increase was fully justified, factually and statistically. Unfortunately no increase was forthcoming. Rumor has it that certain officials in the Department of Agriculture have stated over the telephone and perhaps otherwise that Members of Congress representing peanut-producing areas agreed with the Secretary of Agriculture that no real price support increase was justified.

I cannot speak for any other Member of the Congress, but for myself I want to make it crystal clear that I have never agreed to any such statement, nor did I know that no increase was being given until I was informed by the Secretary's Office of his decision on the price-support program after the meeting to which I referred heretofore. I have spoken to other Congressmen from peanut-producing areas and those with whom I have talked assured me that they made no such statement or agreement.

Mr. Speaker, on June 9, 1967, Mr. Robert B. Delano, president of the Virginia Farm Bureau Federation, wrote a letter to the Secretary of Agriculture in which he pointed out the situation confronting our peanut producers. The Virginia Farm Bureau Federation is an outstanding farm organization. It has worked with and hard for our farmers throughout Virginia. I commend them for their achievements and for the splendid work they have done and are doing. The president, Robert Delano, is a close personal friend of mine. He is dedicated to the best interest of the farmers and Virginians as a whole and, under leave to extend my remarks, I include herewith his letter to the Secretary of Agriculture, which is as follows:

VIRGINIA FARM BUREAU FEDERATION,
Richmond, Va., June 9, 1967.

THE SECRETARY OF AGRICULTURE,
Washington, D.C.

DEAR MR. SECRETARY: The Virginia Farm Bureau Federation is seriously concerned about the economic plight of our Virginia peanut producers.

I appeared before a hearing held by your Department on March 20 of this year along

with other farm leaders and peanut producers urging that you increase the support level for peanuts.

We believe that the pricing situation and quality increase of peanuts produced is so well documented by information previously presented to you that an increase in support price of \$36.00 per ton should be granted for this market season.

The peanut industry is faced, as is every other phase of our agriculture, with the continuing rise in cost of operation. It costs our peanut producers money to improve the quality standards of their product. The support price on peanuts today is considerably less for a higher average grade than it was earlier for a lesser average grade. In addition to the reduced support price, we find also that the national allotment is a million acres less than the wartime peak of 2.6 million. These factors, combined with the greatly increasing production costs, place peanut producers in a dire financial bind.

Recently an article appeared in many of our Virginia papers stating that peanut producer income had been increased and his general financial situation was quite satisfactory. Virginia peanut producers were quite surprised to see such a statement inasmuch as it was not consistent with present economic conditions at least as far as peanut income is concerned.

This news item was released by your Department. We respectfully request that this item be looked into and that the public record be corrected. We further request that you reconsider your earlier decision not to grant an increase in peanut support price and proceed to grant, for the market season, the \$36.00 per ton increase for peanuts as recommended by the peanut industry.

Yours truly,

ROBERT B. DELANO, President.

THE PUERTO RICAN FAMILY AND THE ANTHROPOLOGIST

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

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

There was no objection.

Mr. DANIELS. Mr. Speaker, a very able and distinguished constituent of mine, Dr. Frank Cordasco, of Montclair State College, has written a very outstanding criticism of Oscar Lewis' "La Vida: A Puerto Rican Family and the Culture of Poverty, San Juan and New York."

Mr. Speaker, as one who is vitally interested in improving the lot of our Spanish-speaking fellow Americans and integrating this group into the mainstream of American life without sacrificing their ancient Hispanic culture, I think it is imperative that all Members of this House are given the opportunity of reading the "other side." Thus, it is a great honor for me to insert at this point in the RECORD this outstanding critique by a very distinguished American scholar.

Dr. Cordasco's article follows:

THE PUERTO RICAN FAMILY AND THE ANTHROPOLOGIST: OSCAR LEWIS, "LA VIDA, AND THE CULTURE OF POVERTY"

(By Frank M. Cordasco, professor of education, Montclair State College, educational consultant, Migration Division, Commonwealth of Puerto Rico)

Few European scholars (and fewer American savants) have managed to scale the

ramparts of academe and carry their intellectual wares into the lay market place: those who have, almost inevitably, have earned the envy and suspicion of their professional confrères, and the countless dollars of dilettantish lay readers who have acquired fashion and prized erudition in frenzied pursuit of the erstwhile academicians. Most often, historians and sociologists (Cesare Lombroso, Guglielmo Ferrero, Oswald Spengler, H. G. Wells, and W. G. Sumner come easily to mind) have made the trek from Parnassus into the valley of discord. Successively, they have titillated, infuriated, amused and mesmerized their lay audiences: they have cast dazzling pearls before raucous crowds, and they have counted ducats; and few have remembered to return home to their Olympian lairs. The latest of the academic itinerants is the anthropologist Oscar Lewis who has studied Blackfoot Indians in Canada, farmers in Texas, and the culture of the Indian sub-continent. And all of this he has done well; but with the publication of *La Vida*,¹ Professor Lewis has disappeared into the lay *gethsemane* to which, with some timorous flirtation, his *Five Families* (1959), *The Children of Sanchez* (1961) and *Pedro Martinez* (1964) had earlier brought him.

La Vida (an enormously thick, nondescript Teutonic volume) is the first of a series on Puerto Rican slum families in San Juan and New York which Professor Lewis plans. It is part of the burgeoning literature on the Puerto Rican community, and beyond the accolades it has received from book distribution clubs, (which have been ecstatic in their praises) *La Vida* has been hailed as "... one of the most important books published in the United States this year;" cautioned against, in that (its) insights ... will depend upon the compassion and perception of the reader; and energetically questioned: "Is he (Professor Lewis) describing Puerto Ricans, ... or is he describing exceptional people, leading exceptional lives, who resemble their fellow Puerto Ricans only in limited ways?"²

THE PLAN OF "LA VIDA"

Basic to any of these considerations is Professor Lewis' plan for *La Vida*, and his theory of the "culture of poverty" out of which the plan evolves. If the plan of *La Vida* is deceptively simple, Professor Lewis' "culture of poverty" is not; yet one is meaningless without the other, and it is not the portraiture of *La Vida* (a vast pathological Elogio) which gives validity to the theory, but rather the theory which is the *deus ex machina* of Professor Lewis' vast social tableau.

The plan for *La Vida* takes on Zolaesque proportion: some three hundred individuals cross its pages. While preparing the volume Professor Lewis studied nineteen related households, eleven in San Juan and eight in New York; and data on twelve other households appear in the book. The Ríos family which is presented "consists of five households, a mother and two married daughters in Puerto Rico and a married son and daughter in New York. The mother, Fernanda Fuentes ... is now living with her sixth husband in La Esmeralda, a San Juan slum. Her children—Soledad, twenty-five; Felicitá, twenty-three; Simplicio, twenty-one; and Cruz, nineteen—were born to Fernanda while she was living in free union with her first

husband, Cristobal Ríos, a light-skinned Puerto Rican." Professor Lewis' family kaleidoscope revolves about Fernanda in San Juan; Soledad in New York; Felicitá in San Juan; Simplicio in New York; and Cruz in San Juan. It is a harrowing tale of two cities of life-styles largely recorded on tape which Professor Lewis has edited to present the details of the way of life of the Ríos family with Karamazovian affectlessness. And there is no absence of detail. What emerges is a vast panorama of social and psycho-pathology; cruelty and violence; deceit; the subtleties of human degradation; endemic social deviance; the "game" of prostitution; consensual unions; and abandonment; and omnipresent sex never missing from the lives of the protagonists and recorded with such literalness of language and an unrestrained abundance of detail by Professor Lewis that it initially shocks and, then, revolts the reader.³ The Ríos family are a *dramatis personae* in search of an author and in a curious Pirandellian twist, Professor Lewis not only furnishes a play, but a theory as well. It is this theory (the "Culture of Poverty") which translates *La Vida* into Balzacian reality or into grotesque illusion.

PROFESSOR LEWIS AND THE CULTURE OF POVERTY

Professor Lewis (by his own statement) originated the concept of the "Culture of Poverty"; as a conceptual model, he has attempted its precise definition. The trick lies in distinguishing between "poverty" and the "culture of poverty": for the Ríos family is not representative of the poor, but rather of the subculture of poverty (Professor Lewis uses the shorter form); and this subculture of poverty focuses upon the individual personality rather than upon the group (that is, upon the family and the slum community).⁴ Lewis defines the "culture of poverty" as, "... both an adaptation and a reaction of the poor to their marginal position in a class-stratified, highly individuated, capitalistic society. It represents an effort to cope with feelings of hopelessness and despair which develop from the realization of the improbability of achieving success in terms of the values and goals of the larger society. Indeed, many of the traits of the culture of poverty can be viewed as attempts at local solutions for problems not met by existing institutions and agencies because the people are not eligible for them, cannot afford them or are ignorant or suspicious of them." (p. xlii). However, Professor Lewis is quick to add that the "culture of poverty" is ... not only an adaptation to a set of objective conditions of the larger society. Once it comes into existence it tends to perpetuate itself from generation to generation because of its effects on the children. By the time slum children are age six or seven, they have usually absorbed the basic values and attitudes of their subculture and are not psychologically geared to take full advantage of changing conditions or increased opportunities which may occur in their lifetime." (p. xiv). Daniel Moynihan refines the theory and adds still other ingredients: "... these families and the communities they make up (in the culture of poverty) tend to transmit from one

¹ See the description of Soledad's relationship with Benedicto as an illustration of the pervasive luridry, pp. 217 ff.

² Cf. Michael Harrington's definition of the "culture of poverty" in his *The Other America* (1961). See also Elizabeth Herzog, "Some Assumptions About the Poor," *The Social Service Review*, December 1963, pp. 389-402; and Nathan Glazer, loc. cit., supra. Professor Lewis is not without historical predecessors who have attempted to fashion a viable theory out of the poignant evocations and delineations of human misery: Henry Hayhes's *London Labour and the London Poor* (1861-62) is an analogous tableau; and so is the literary and sociological canon of Mid-Victorian England.

³ *La Vida: A Puerto Rican Family in the Culture of Poverty—San Juan and New York*. By Oscar Lewis. Random House (1966). 669 pp. \$10.00

⁴ See the reviews, respectively, of Michael Harrington, *New York Times Book Review*, November 20, 1966, p. 1; Rev. Joseph P. Fitzpatrick, *America*, December 10, 1966, p. 778; and Nathan Glazer, *Commentary*, February, 1967, p. 83. See also the negative sentiments in the review by Joseph Monserrat, "A Puerto Rican Family," *Natural History* (April 1967).

generation to the next, traits and circumstances which help perpetuate their condition. There is *nothing absolute about this*: as many individuals, no doubt, leave the culture as remain in it, and on one level the proposition amounts to little more than the assertion that the poor rarely inherit large estates." (Commentary, February 1967, p. 36. The italics have been added.)

This adaptive ambience, Professor Lewis finds both creative and the source of great strengths (with its own structure and rationale, as a way of life), but with the key traits of fatalism and a low level of aspiration "(which) helps to reduce frustration, (and with) the legitimization of short-range hedonism (which) makes possible spontaneity and enjoyment." Within these theoretic constructs, Professor Lewis analyzes the "culture of poverty" against four sets of characteristics: (1) the lack of effective participation and integration of the poor in the major institutions of the larger society; (2) poor housing, crowding, gregariousness, and a minimum of organization beyond the level of the nuclear and extended family; (3) the baseness of childhood as a specially prolonged and protected stage in the life cycle; early initiation into sex, free unions or consensual marriages, high incidence of abandonment of wives and children, female-centered families, lack of family stability, authoritarianism; (4) marginality, helplessness, dependence and inferiority. In essence, if one is disposed to accept the thesis, Professor Lewis' discussion is a major contribution to the "culture of poverty."

Lewis develops the thesis and basic methodology in a lengthy introduction (pp. xi-iv) which must be read if the book is to be kept in its proper setting. The socio-economic correlates of the theory, *mutatis mutandis*, vis a vis the Negro community were developed by Daniel Moynihan in *The Case For National Action* (1965). Although Lewis, at no point in any substance, relates his "culture of poverty" to the schools and education, Moynihan does. In a review of the controversy spawned by *The Negro Family* (the Moynihan Report), he gives the theory a significant and new dimension: "At the moment, Negroes are placing enormous confidence in the idea that quality education can transform their situation. But it is not at all clear that education has this potential. Last summer, the U.S. Office of Education issued its report on 'Equality of Educational Opportunity' based on the study . . . ordered by the Civil Rights Act of 1964 of the educational facilities available to Negroes and other minority groups as compared with the white majority. The report (The Coleman Report) . . . radically confounded expectation. Negroes, it turned out, tested badly at the outset of their schooling, and worse at the end of it. But the quality of the schools they attended—shockingly segregated schools—was not in fact significantly different from that of schools attended by whites and others. More important, the regression analysis carried out for the study produced the astounding proposition that the quality of the schools has only a trifling relation to achievement . . . the two great determinants of outcome turned out to be family background and social peer group." (Commentary, February 1967, p. 44.)

THE VAST SLOUGH OF "LA VIDA"

Caught in the vast slough of *La Vida*, the central question for the Rios family is their typicality: is Professor Lewis describing exceptional people, leading exceptional lives, who resemble their fellow Puerto Ricans in only limited ways? The very viability of Lewis' theory of "the culture of poverty" depends on the answer to this crucial question. Unfortunately, Professor Lewis is ambiguous in his answer. Although he disclaims the representativeness of the Rios family ("I should like to emphasize that this study deals with only one segment of the

Puerto Rican population and that the data should not be generalized to Puerto Rican society as a whole."), he still claims a much larger significance and typicality: "The Rios family would probably be classified as a multi-problem family by most social workers, but it is by no means an extreme example nor is it the worst I have encountered in the Puerto Rican slums;" and he extends his observation by noting, "The history of the Rios family . . . suggests that the pattern of free unions and multiple spouses was not limited to the poor. It has been a widespread pattern among wealthy rural families" (pp. xxviii-xxix). In much of the data, the tendency is always the cultivation of a special perspective even if this leads Professor Lewis to distortion.

CONTINUING DOUBTS

Clearly, continuing doubts frame a crucial question: Is *La Vida* a study of the culture of lower-class Puerto Rican life; or is it a study of the culture of radically disorganized forms of slum life? Does all poverty lead to Professor Lewis' culture of poverty? For the theory must, if it has any validity, be more than the adaptation to the urban ambience which is its nexus: is it (for Professor Lewis) culture itself? All of the indices of Professor Lewis' "culture of poverty" (its marginality, and its helplessness, its sex and its prostitution) are related to poverty, but is the microcosm which Professor Lewis sketches in the macabre vignettes of the Rios family the very substance of poverty itself?

The controversy which surrounds *La Vida* will obscure many of the important questions it raises. It will, unhappily, overshadow the tremendous struggle of the Puerto Rican community (both on the mainland and in the island) to confront the realities of the grim social and economic problems;⁸ it will minimize the gains achieved in mainland schools;⁹ it will register as crude parodies the poetic pathos of the Puerto Rican poor.¹⁰ And it will be widely read, misinterpreted and misused.

⁸ See particularly, Dorothy D. Bourne and James R. Bourne, *Thirty Years of Change in Puerto Rico* (New York: Frederick A. Praeger (1966)); and *The Puerto Rican Community Development Project: Un Proyecto Puertorriqueño De Ayuda Mutua Para El Desarrollo De La Comunidad* (New York: The Puerto Rican Forum (1964)).

⁹ "Most of our children are brought up in homes where the language and culture is still mostly shaped along the way of life parents lived in Puerto Rico. This is good and positive and it has to be so because parents themselves cannot transmit what they do not know, but here is where the school enters as the institution that will help transmit the new culture into a child's life, and for that matter into the home as a whole. We pledge our support in all aspects where community support will be needed." Statement of Carmen Dinos (Supervisor of the Education Program of the Migration Division of the Commonwealth of Puerto Rico) before the Board of Education of New York City, March 11, 1966. See also, F. Cordasco, "Puerto Rican Pupils and American Education," *School and Society*, vol. 95 (February 18, 1967), pp. 116-119.

¹⁰ "Ricardo Sanchez came from where the sugar cane is higher than a man to the plaza in old San Juan where the buses marked *Aeropuerto* stop. He came with his wife and two daughters and three suitcases and a paper bag and the promise from a brother in Harlem, New York, that there was work to be found in *fabrica*. The work in the sugar cane was over for the season and Ricardo had found nothing else. The government would pay him \$7 every two weeks for thirteen weeks before the season began again, and then with the season he would get \$3.60 a day

VOTE ON NATIONAL RAILROAD LABOR DISPUTE AFFECTING THE NATIONAL INTEREST AND VIETNAM WAR

Mr. CHARLES H. WILSON, Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BOLAND. Mr. Speaker, on June 15 when the House was considering House Joint Resolution 559 to provide for the settlement of the railway labor dispute, I voted for the Pepper amendment to strike section 5 of the resolution providing for compulsory arbitration.

I did so because I am opposed to compulsory arbitration of labor disputes and it was my understanding on that date that there would be no railway strike if the Pepper amendment was adopted. I have always strongly supported free collective bargaining in labor-management negotiations of labor disputes, and my record in the Massachusetts Legislature and in the Congress of the United States over 32 years of public service bears this out.

Yesterday this Nation was caught in the grip of a national emergency because of the combined strike and lockout of the railroad craft unions. Secretary of Transportation Alan Boyd informed President Johnson that between 80 to 90 percent of the Nation's rail lines had closed down by noon, and predicted the rail paralysis would be complete by last midnight.

Secretary of Defense Robert S. McNamara told the President the railway strike was 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."

President Johnson told the Congress hundreds of thousands of commuters found it difficult or impossible to get to their jobs yesterday; 400,000 carloads of freight had been stranded; shipments of fresh vegetables, meats, and other perishable foods had been halted; mail deliveries of packages and parcels, magazines, and newspapers had been embargoed by the Post Office.

The economic well-being of the United States and America's national security were in jeopardy. Our national interest was at stake.

Faced with this set of circumstances, I voted for Senate Joint Resolution 81, providing for settlement of the railroad labor dispute.

Mr. Speaker, I am still opposed to compulsory arbitration. I do not think that

for eight hours in the sun. He had done it before, as his fathers had done it but this time he told himself he wanted something more. 'It is,' he said, 'no good to be poor.' Dan Wakefield, *Island in the City. The World of Spanish Harlem* (New York: Houghton Mifflin, 1959), p. 23.

this is the way to settle labor disputes in a free and open society. But the transcendent issue before the House when the vote was taken last night was the national interest—the necessity of a free government, and its free people, to protect itself at home and overseas.

I was not voting on a party issue nor a partisan political issue. I was not voting in the interest of labor nor of management. I was voting my conscience on an issue of paramount importance—the national interest and against delays in ammunition and supply shipments to our troops in Vietnam.

RIGHT OF CONGRESSIONAL INQUIRY

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

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

There was no objection.

Mr. COHELAN. Mr. Speaker, I wish to associate myself with the remarks of those who are disturbed by the recent action of the House Committee on Agriculture in "disassociating" itself from the remarks of the chairman of the Rural Development Subcommittee.

I have not personally investigated the financial operations of the American Farm Bureau Federation, and thus cannot and will not, make any accusation as to its misrepresenting itself to both the Internal Revenue Service and the Congress.

However, our colleague from New York has undertaken an investigation of this matter, and I am sure he had good reason to ask an official probe. This is his prerogative, and certainly his responsibility if the facts demand such action.

This prerogative, and this responsibility, fall to each of us in different circumstances. And it is disquieting to me to see a precedent established which may discourage and deter anyone in this body from accepting the duty of speaking out and investigating any pertinent facts relative to our legislative responsibilities.

A TRIBUTE AND A LESSON

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

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

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, in addition to the terrible toll of life and personal injury, the damage to private property, and the aggravation of racial bitterness, the riots in Newark last week had a less apparent result. My close friend, the distinguished Governor of New Jersey, Richard J. Hughes, was

forced by this tragic riot to divert his energies from his attempts to achieve peace and progress to the very basic task of restoring law and order to the streets of his State's cities. Governor Hughes turned to this job as he turns to all jobs—with great ability and energy. Order is now being restored and the attempts to repair the devastation are in progress.

It behooves us in the Congress to again ask, why was there a riot? Unfortunately, there is no easy answer. I diligently read all the reports of the riots in the New Jersey as well as the New York and Washington newspapers, and I talked with responsible persons on the scene in Newark. According to these news reports and my personal conversations, there was no evidence that the riots had been started or aided in any way by "outsiders." However, there was evidence that the all too familiar causes of riots as we have come to know them were present: inadequate housing, high unemployment, problems with the police, and a belief by the Negroes that the local government was unresponsive to their needs and aspirations.

These causes are by now well known. They are highlighted in a recent column by David S. Broder, which appeared in the Washington Post of July 18, and which I insert in this RECORD for the Members' attention. Mr. Broder's column is not only a tribute to Governor Hughes, but more importantly, contains a lesson for the Congress and the Nation. It follows:

THE LESSON OF RICHARD J. HUGHES (By David S. Broder)

For an object lesson in the ability of events in this tragic time to make a mockery of the aspirations of even the most decent men, consider the case of Gov. Richard J. Hughes of New Jersey.

Last month Gov. Hughes helped set the stage for the Kosygin-Johnson summit by providing an acceptable meeting place in the unlikely town of Glassboro, N.J.

Last Wednesday in Washington, he presided over the meeting that launched the Democratic Party toward its first fully desegregated national convention in 1968.

And then last weekend, decent, determinedly optimistic Dick Hughes found himself in the command post of a war against what he termed the "criminal insurrection" of the Negro inhabitants of Newark, his state's largest city.

What a measure of our times for a man like Hughes to be fighting, not for peace or for progress, not for integration or the Great Society, but for the rudimentary civil order that is the first condition of any society at all. When a Dick Hughes can be hauled back from the area of his real aspirations in order to do a police job, it says something about our country and our world.

Until last month, when millions of Americans became at least dimly aware of Hughes as the Kewpie doll-looking man who welcomed the President and the Soviet Premier to Glassboro, he was known outside his own state only to that small circle of men to whom government and politics are a full-time concern. But within that circle, Dick Hughes has a reputation that is ten feet tall.

Terry Sanford, the former Governor of North Carolina, who has just completed a massive two-year study of the states, remarked recently that "Dick Hughes is running the best state government in the country." That judgment is echoed by Johnson Administration officials.

What is particularly impressive about Hughes' record in New Jersey is his effort to focus state government concern on the two major domestic problems of our time, urban life and education. Last year he hired the brilliant Paul Ylvisaker from the Ford Foundation to head a new state department of urban affairs that has already become a model for the rest of the country.

Last month he persuaded Ralph Dungan, one of the ablest of John Kennedy's staff men, to return from his post as Ambassador to Chile to become New Jersey's Chancellor of Higher Education.

In Party affairs, too, Hughes has more than carried his weight. Under Kennedy and again under Lyndon Johnson, when the President had a tough political problem he has turned it over to Hughes.

Last week, just two months after he took over as chairman of the Democratic National Committee's equal rights committee, Hughes won a signal victory; a unanimous agreement from Southerners and civil rights advocates on a formula that will, in his judgment, guarantee integrated delegations from all the Southern states for the first time since Reconstruction.

Typically, Hughes, a devout Catholic and devoted family man, declined to discuss the achievement simply in political terms. What the committee had done, he said, was to "redeem the moral pledge" of equal rights made at the 1964 convention and thus "saved the soul of the Democratic Party." Not even the cynics in the press found those sentiments inappropriate from that source.

And then Hughes, the host at Hollybush, the toast of Washington, went home to find in Newark the latest violent manifestation of the Civil War between the "two nations" that no longer peacefully co-exist in this country.

There, in a State which has done as much as any to deal with its urban problems, lay festering a sium that bred as much hatred as the compounds of South Africa. To add to the irony, one of the complaints of its inhabitants concerned the decision to raze 50 acres of their slum for a new State College of Medicine and Dentistry which would be part of Ralph Dungan's domain.

So Richard Hughes, having patiently negotiated the admission of Negro delegates to the Democratic Convention from the old slave-holding states, went home to supervise the militia's offensive against the Negro rioters. Dick Hughes, the model Governor, saw his dreams going up in flames and said, "the line might as well be drawn here as anywhere."

What does this tell us beyond the tragedy of the man himself? It tells us, I think, that time has run out on this country, that even its most far-sighted leaders must recognize now that they must shift their focus to the crisis at the heart of our own society. Before we can bring peace and security to Vietnam or the world, before we can provide the quality of education our children deserve, before we can achieve any of our major goals, we must stop penning Negroes in poverty into cages in the centers of our cities. No matter what it costs, the slums must go. This has to be one Nation, not two, and unless we face that fact now, all of us will be consumed by the tragedy that overwhelmed Richard Hughes last week.

CAPTIVE NATIONS WEEK, 1967

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. FRIEDEL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there

objection to the request of the gentleman from California?

There was no objection.

Mr. FRIEDEL. Mr. Speaker, the annals of American history clearly show that our Nation is firmly committed to the cause of freedom and justice everywhere. That is why we are now fighting in Vietnam. We founded our country on democratic principles and today our commitment to freedom is worldwide in full recognition that the cause of human rights and personal dignity remains a universal aspiration.

In 1959, the Congress showed historic initiative in passing the captive nations resolution—Public Law 86-90. This year Captive Nations Week will be marked during the week of July 16-22. It is, therefore, appropriate and proper to manifest to the more than 42 million people in some 27 different captive nations our most heartfelt sympathy and concern for their serious plight under the ruthless heel of their Red Communist overlords and taskmasters.

In the light of the recent Middle East war and in view of the fact that Russia is now rearming Egypt and other Arab countries in order that they may again commit aggression against our sister democracy in that important part of the world—the State of Israel—Captive Nations Week takes on added significance. Here can be seen further evidence of the Communist endeavor to extend their nefarious influence against the free world.

The nations under Communist domination look to the United States, as a citadel of human freedom, for leadership in bringing about their eventual liberation and independence and in restoring to them the enjoyment and benefits of their respective religious freedoms, and of their individual liberties.

I most strongly urge that everyone give their support to the National Captive Nations Committee and participate in the nationwide observance of this special week. By our doing so, we not only encourage the millions of people behind the Iron and Bamboo Curtains not to give up their hopes, but we also give notice to the entire world that we oppose aggression and communism wherever it appears. It is our fervent hope that in the not too distant future these captive nations will become free and independent and join the rest of the free world.

URBAN RENEWAL HOUSING UNDER SECTION 220 OF THE NATIONAL HOUSING ACT

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. BARRETT] may extend his remarks at this point in the Record and include extraneous matter.

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

There was no objection.

Mr. BARRETT. Mr. Speaker, a recently issued report by a committee of the other body has made recommendations to amend the section 220 urban renewal housing program which, while

well-intentioned, indicates a lack of understanding of the section 220 program and which, if adopted, would seriously cripple the urban renewal program. Our Subcommittee on Housing has, as you know, sponsored many different types of housing programs to provide housing for low-income groups, for the elderly and the handicapped, for cooperative housing—in other words, for many purposes. The main objective of the section 220 program is to provide for the rehabilitation of rundown housing in slum areas and to build new housing in slum cleared areas. Obviously, the provision of housing in areas of this kind requires differing appraisal techniques and differing incentives to get the housing built. It is for this reason that the law permits FHA insured loans on section 220 projects to be based on "replacement cost" rather than "value" which entails the usual "economic soundness" concept which governs FHA's regular insurance programs.

Mr. Speaker, at my request, Secretary Weaver of HUD has furnished the subcommittee with a report giving in detail the reasons why "replacement cost" is a necessary basis for establishing the maximum FHA insured 220 loan and I include Secretary Weaver's letter in the Record so that our colleagues will have a better understanding of the program's legislative history and why "replacement cost" instead of "value" is essential under the section 220 program:

THE SECRETARY OF HOUSING
AND URBAN DEVELOPMENT,
Washington, D.C., July 13, 1967.

HON. WILLIAM A. BARRETT,
Chairman, Subcommittee on Housing, Com-
mittee on Banking and Currency, House
of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am responding to your request for comments on the recommendations made in the report of the Senate Committee on Government Operations made by the Permanent Subcommittee on Investigations (Senate Report No. 369) that "economic soundness" requirements be imposed in the administration of the FHA urban renewal program under section 220 of the National Housing Act.

We are deeply concerned with these recommendations. They are in striking contrast to the legislative history in the Banking and Currency Committees of both the Senate and the House.

The primary purpose of the section 220 program is to provide financing for the rehabilitation of substandard housing in slum areas and new housing projects in areas cleared of slums. These housing projects, located in areas with an uncertain future, entail substantially more risks than those constructed in neighborhoods of established and stable values. These risks are especially acute during the early stages of development, while the area is in a transition period and the stigmas resulting from former conditions are being overcome.

Some FHA programs are designed exclusively for the housing of low and moderate income families. This is not true of the section 220 program, where emphasis is placed upon assisting our cities in their efforts to establish a sound and viable tax base in redevelopment areas. While our efforts are increasingly directed to the housing of low and moderate income families in these areas, it has been recognized from the outset that some relocation of families is necessary and that some higher income housing in the urban renewal areas is desirable in the orderly improvement and redevelopment of the cities

and in bringing about a desirable economic mix.

In certain other FHA programs, the law requires a finding of "economic soundness." Historically and traditionally, the use of this term has been considered by the FHA as a conservative mandate from the Congress. With such a mandate, insurance risks were undertaken solely on the basis of value concepts as distinguished from cost considerations. Furthermore, it was generally understood that particular care was to be exercised in the administration of these programs to avoid exposures which would result in expense to the government over and above receipts in the form of fees and mortgage insurance premiums paid by those receiving the benefits of the programs. It was believed that premium income and fees should be sufficient to pay costs of administration as well as insurance losses, thereby avoiding any expense to the taxpayers. To accomplish these aims, an analysis is made of each transaction for the purpose of determining that the risk is justified on the basis of the value of the mortgaged property. It is also necessary to establish that the projected income stream will be sufficient to meet debt service requirements plus a reasonable return on the equity investment.

Some of the major criticism directed at the FHA in the past has been on the basis of its conservatism. If it was to assume a position of leadership in the encouragement of loans for important social objectives, such as the rebuilding of the central cities, it required direction from the congressional policy makers. Such direction in the section 220 urban renewal program was clearly and unmistakably provided by the Congress. The statutory term "economic soundness" was not included as a requirement and "replacement cost" was substituted for "value," with the genuine expectation that the social values involved, especially financial assistance to beleaguered cities seeking a sound and viable tax base, would bring results justifying increased risks. Where there is no requirement for a finding of economic soundness, it is clear that substantial risks are to be assumed in order to attain the declared objectives of the particular housing program. Where the congressional directive is to utilize replacement cost estimates in lieu of value, an even greater emphasis is placed on assuming additional insurance risks.

Based upon the legislative history, we do not believe we properly could adopt a policy requiring "economic soundness" in these projects. This would require legislation and because of the social purposes outlined above we would not recommend that such legislation be adopted.

We do agree, of course, that care must be exercised in passing upon the feasibility of proposed projects and that no project should be approved unless there is a reasonable prospect for meeting mortgage obligations.

Numerous actions have been taken in recent years to strengthen our procedures and requirements along these lines, especially in the improvement of the market analyses upon which projections and judgments must be based. By substantially increasing our staff of market analysts and providing intensive training for the members of this staff, we have steadily improved the quality of our underwriting skills. This should improve our processing of future proposals, but programs which serve strong social needs do by their nature have inherent risks which must be recognized and losses must be expected. The needs being met must be measured against the losses in order to make a true evaluation of such programs.

I appreciate this opportunity to provide you with our comments, as I am aware of the keen interest that you and your committee have always evinced in the section 220 program and its impact upon both the re-

habilitation of substandard housing in slum areas and the construction of new housing in areas cleared of slums.

Sincerely yours,

ROBERT C. WEAVER.

SPECIAL ORDERS GRANTED

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

(The following Members (at the request of Mr. THOMPSON of Georgia) to revise and extend their remarks and to include extraneous matter:)

Mr. McDONALD of Michigan, for 60 minutes, on July 20.

Mr. COLLIER, for 60 minutes, on July 26.

Mr. FINDLEY, for 60 minutes, on July 24.

(The following Members (at the request of Mr. CHARLES H. WILSON) to revise and extend their remarks and to include extraneous matter:)

Mr. FEIGHAN, for 15 minutes, today.

Mr. PATMAN, for 15 minutes, on July 19, 1967.

EXTENSION OF REMARKS

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

Mr. WYDLER to include extraneous matter under general leave on Senate Joint Resolution 81 granted yesterday.

Mr. SCHADEBERG.

Mr. WIGGINS.

Mr. WIDNALL to include extraneous matter with remarks made in the Committee of the Whole today.

(The following Member (at the request of Mr. THOMPSON of Georgia), and to include extraneous matter:)

Mr. GERALD R. FORD.

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

Mr. EVINS of Tennessee.

Mr. ST. ONGE.

Mr. HOWARD.

Mr. MONTGOMERY.

Mr. BRASCO.

Mr. BENNETT.

SENATE BILLS REFERRED

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

S. 1581. An act to amend the Federal Voting Assistance Act of 1955 (69 Stat. 584); to the Committee on House Administration.

S. 1956. An act 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; to the Committee on Banking and Currency.

ADJOURNMENT

Mr. CHARLES H. WILSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 18 minutes p.m.) the House adjourned until tomorrow,

Wednesday, July 19, 1967, at 12 o'clock, noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

932. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

933. A letter from the Assistant Secretary of the Interior, transmitting a proposed concession contract under which the Mt. McKinley National Park Co., Inc., will continue to provide accommodations, facilities, and services for the public in Mount McKinley National Park, Alaska, for a 21-year period from January 1, 1968, through December 31, 1987, pursuant to the provisions of Public Law 89-249; to the Committee on Interior and Insular Affairs.

934. A letter from the Comptroller General of the United States, transmitting a report of review of utilization of automatic data processing systems at Navy-supported operations control centers, Department of Defense; to the Committee on Government Operations.

935. A letter from the Secretary of the Army, transmitting the Annual Report of the U.S. Soldiers' Home for fiscal year 1966, and the report of annual general inspection of the home, 1966, by the Inspector General of the Army, pursuant to the provisions of 24 U.S.C. 59, 60; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

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

Mr. JOHNSON of California: Committee on Interior and Insular Affairs. H.R. 845. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Nebraska midstate division, Missouri River Basin project, and for other purposes; with amendment (Rept. No. 489). Referred to the Committee of the Whole House on the State of the Union.

Mr. ANDREWS of Alabama: Committee of Conference. H.R. 10368. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1968, and for other purposes (Rept. No. 490). Ordered to be printed.

Mr. ROGERS of Colorado: Committee on the Judiciary. Senate Joint Resolution 10. Joint resolution to establish the Golden Spike Centennial Celebration Commission (Rept. No. 491). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 747. Resolution for consideration of H.R. 8630, a bill to extend the authority for exemptions from the antitrust laws to assist in safeguarding the balance-of-payments position of the United States (Rept. No. 492). Referred to the House Calendar.

Mr. YOUNG: Committee on Rules. House Resolution 748. Resolution for consideration of H.R. 9547, a bill to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank, and for other purposes (Rept. No. 493). Referred to the House Calendar.

Mr. MATSUNAGA: Committee on Rules.

House Resolution 749. Resolution for the consideration of H.R. 11000, a bill to provide Federal financial assistance to help cities and communities of the Nation develop and carry out intensive local programs of rat control and extermination (Rept. No. 494). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. COLLIER:

H.R. 11521. A bill to amend the joint resolution of October 23, 1965, relating to National Parkinson Week; to the Committee on the Judiciary.

By Mr. DIGGS:

H.R. 11522. A bill to establish a United States Committee on Human Rights to prepare for participation by the United States in the observance of the year 1968 as International Human Rights Year, and for other purposes; to the Committee on Foreign Affairs.

By Mr. DORN:

H.R. 11523. A bill to amend the Internal Revenue Code of 1954 with respect to returns and deposits of the excise taxes on gasoline and lubricating oil; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H.R. 11524. A bill to include firefighters within the provisions of section 8336(c) of title 5, United States Code, relating to the retirement of Government employees engaged in certain hazardous occupations; to the Committee on Post Office and Civil Service.

H.R. 11525. A bill to amend title 5, United States Code, to improve the basic workweeks of firefighting personnel of executive agencies, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GURNEY:

H.R. 11526. A bill to amend the Merchant Marine Act, 1920, to prohibit transportation of articles to or from the United States aboard certain foreign vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HATHAWAY:

H.R. 11527. A bill to direct the Secretary of Agriculture to release on behalf of the United States conditions in a deed conveying certain lands to the University of Maine and to provide for conveyance of certain interests in such lands so as to permit such university, subject to certain conditions, to sell, lease, or otherwise dispose of such lands; to the Committee on Agriculture.

H.R. 11528. A bill to provide incentives for the creation by private industry of additional employment opportunities for residents of poverty areas; to the Committee on Ways and Means.

By Mr. MOSS:

H.R. 11529. A bill to amend title 5, United States Code, to provide that a retiring employee or Member may elect to receive a full annuity without annuity for the surviving spouse only on submission to the Civil Service Commission of evidence of the knowledge of the spouse of such election; to the Committee on Post Office and Civil Service.

By Mr. SANDMAN:

H.R. 11530. A bill to regulate imports of milk and dairy products, and for other purposes; to the Committee on Ways and Means.

By Mr. SATTERFIELD:

H.R. 11531. A bill to amend the Communications Act of 1934 in order to provide that product advertising shall not be deemed to constitute the discussion of issues of public importance; to the Committee on Interstate and Foreign Commerce.

By Mr. TALCOTT:

H.R. 11532. A bill to amend the Interstate

Commerce Act, with respect to recovery of a reasonable attorney's fee in case of successful maintenance of an action for recovery of damages sustained in transportation of property; to the Committee on Interstate and Foreign Commerce.

H.R. 11533. A bill to amend the Internal Revenue Code of 1954 to restore the provisions permitting the deduction, without regard to the 3-percent and 1-percent floors, of medical expenses incurred for the care of individuals 65 years of age and over; to the Committee on Ways and Means.

By Mr. WHALLEY:

H.R. 11534. A bill to impose quotas on the importation of certain textile articles; to the Committee on Ways and Means.

By Mr. ASHBROOK:

H.R. 11535. A bill to provide that American foreign aid shall be suspended with respect to any country which has severed diplomatic relations with the United States on or after January 1, 1967, and for other purposes; to the Committee on Foreign Affairs.

By Mr. MONTGOMERY:

H.R. 11536. A bill to control unfair trade practices affecting producers of agricultural products and associations of such producers, and for other purposes; to the Committee on Agriculture.

By Mr. NEDZI:

H.R. 11537. A bill to reclassify certain positions in the postal field service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. NELSEN:

H.R. 11538. A bill to amend the tariff schedules of the United States with respect to the rate of duty on honey and honey products and to impose import limitations on honey and honey products; to the Committee on Ways and Means.

By Mr. WILLIS:

H.R. 11539. A bill to regulate imports of milk and dairy products, and for other purposes; to the Committee on Ways and Means.

By Mr. BATES:

H.R. 11540. A bill to amend chapter 141, section 2389, of title 10, United States Code, to provide for price adjustments in contracts for procurement of milk by the Department of Defense; to the Committee on Armed Services.

By Mr. BRADEMAM:

H.R. 11541. A bill to amend the Uniform Time Act in order to allow an option in the adoption of advanced time in certain cases; to the Committee on Interstate and Foreign Commerce.

H.R. 11542. A bill for the relief of the town of Bremen, Ind.; to the Committee on the Judiciary.

By Mr. BROWN of California:

H.R. 11543. A bill to amend the National Labor Relations Act, as amended, so as to make its provisions applicable to agriculture; to the Committee on Education and Labor.

By Mr. MATHIAS of Maryland:

H.R. 11544. A bill to amend title 12, District of Columbia Code, to provide a limitation of actions for actions arising out of death or injury caused by a defective or unsafe improvement to real property; to the Committee on the District of Columbia.

By Mr. THOMSON of Wisconsin:

H.R. 11545. A bill to amend the tariff schedules of the United States with respect to the rate of duty on honey and honey products and to impose import limitations on honey and honey products; to the Committee on Ways and Means.

By Mr. GUDE:

H.J. Res. 724. Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

By Mr. KEE:

H.J. Res. 725. Joint resolution creating a Joint Committee To Investigate Crime; to the Committee on Rules.

By Mr. BRADEMAM:

H.J. Res. 726. Joint resolution to authorize the President to designate October 31 of each year as National UNICEF Day; to the Committee on the Judiciary.

By Mr. HALPERN:

H.J. Res. 727. Joint resolution proposing an amendment to the Constitution of the United States providing that the term of office of Members of the U.S. House of Representatives shall be 4 years; to the Committee on the Judiciary.

By Mr. OTTINGER:

H.J. Res. 728. Joint resolution creating a Joint Committee To Investigate Crime; to the Committee on Rules.

By Mr. VIGORITO:

H.J. Res. 729. Joint resolution creating a Joint Committee To Investigate Crime; to the Committee on Rules.

By Mr. ASHBROOK:

H. Con. Res. 416. Concurrent resolution authorizing and requesting the President to take such steps as may be necessary to have placed on the agenda of the General Assembly of the United Nations at the next regular session, the issue of self-determination for all nations enslaved by Communist imperialism; to the Committee on Foreign Affairs.

By Mr. GUBSER:

H. Con. Res. 417. Concurrent resolution expressing the sense of the Congress with respect to the establishment of peace in the Middle East; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. FASCELL:

H.R. 11546. A bill for the relief of Dr. Moises Chediak; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 11547. A bill for the relief of Santana Cortese; to the Committee on the Judiciary.

By Mr. LANDRUM:

H.R. 11548. A bill for the relief of Barney Elrod Construction Co., Inc.; to the Committee on the Judiciary.

By Mr. McDADE:

H.R. 11549. A bill for the relief of Ella Winnifred Rich; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 11550. A bill for the relief of Ruchama Lebel; to the Committee on the Judiciary.

By Mr. O'NEILL of Massachusetts:

H.R. 11551. A bill for the relief of Juan deJ. Toledo; to the Committee on the Judiciary.

By Mr. WHITTEN:

H.R. 11552. A bill for the relief of certain property owners in Tate County, Miss.; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

The 55th Anniversary of Estonian Boy Scout Movement

EXTENSION OF REMARKS

OF

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1967

Mr. HOWARD. Mr. Speaker, it would do us well at this time—Captive Nations Week—to call to public attention the fate of the peoples of several Eastern European countries. I refer specifically to the Estonians who, since their flight from Russian domination, have managed to maintain their ethnic identity and their ethnic pride through the extension of their national organizations.

This year marks the 55th anniversary of the Estonian Boy Scout movement, its 27th year in exile. The occasion is being noted by the opening of the Friendship Camp of World Estonian Scouting in New

Jersey. Its name, Koguja, signifies "one who gathers"; and as a focal point of scouting, Estonian youths from all countries will meet there in a truly worldwide gathering for 10 days.

Mr. Speaker, the State of New Jersey is honored to be able to call this meeting to the attention of the Congress of the United States. For it is in this way that we are able to demonstrate our support and our sympathy for the peoples of this captive nation.

Rail Strike Legislation

EXTENSION OF REMARKS

OF

HON. HENRY C. SCHADEBERG

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1967

Mr. SCHADEBERG. Mr. Speaker, because I was firmly convinced that the

well-being of our Nation was truly at stake, I voted for compulsory arbitration to settle the rail strike. I am no happier today than I was yesterday with the lack of any constructive alternative to the precipitous action we were forced to take.

It was stated by spokesmen in the administration and in the Congress that the conduct of the Vietnam war would suffer if the strike were to continue. I agreed generally with such a premise but I did pose a question we should all ask. Are we in a war? We are actually in a conflict being managed by the White House alone. The President and his appointed advisers, like the ever optimistic Mr. McNamara, are calling the shots with little if any consultation with congressional leaders. Congress itself has been bypassed except to be called on to react to every Presidential action, yet Congress alone has the power to declare war.

In the rail strike as well as Vietnam the Congress finds itself in a position of doing exactly what the President wants or of letting the boys down in Vietnam. The