

the Agricultural Act of 1956; to the Committee on Agriculture.

By Mr. TUNNEY:

H.R. 11777. A bill to provide Federal assistance to courts, correctional systems, and community agencies to increase their capability to prevent, treat, and control juvenile delinquency, to assist research efforts in the prevention, treatment, and control of juvenile delinquency, and for other purposes; to the Committee on Education and Labor.

By Mr. SCHEUER:

H.R. 11778. A bill to authorize the Secretary of Agriculture and the Surgeon General of the United States to provide food and medical services on an emergency basis to prevent human suffering or loss of life; to the Committee on Agriculture.

By Mr. HECHLER of West Virginia:

H.R. 11779. A bill to authorize the Secretary of the Interior to designate within the Department of the Interior an officer to establish, coordinate, and administer programs authorized by this act, for the reclamation, acquisition, and conservation of lands and water adversely affected by coal mining operations, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BEVILL:

H.J. Res. 741. Joint resolution creating a Joint Committee To Investigate Crime; to the Committee on Rules.

By Mr. DENT:

H.J. Res. 742. 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. FARBSTEIN:

H.J. Res. 743. Joint resolution designating July 25 of each year as Puerto Rican Day in the United States of America; to the Committee on the Judiciary.

By Mr. PICKLE:

H.J. Res. 744. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. STAGGERS:

H.J. Res. 745. Joint resolution creating a Joint Committee To Investigate Crime; to the Committee on Rules.

By Mr. FLOOD:

H.J. Res. 746. Joint resolution proposing an amendment to the Constitution of the United States requiring the advice and consent of the House of Representatives in the making of treaties; to the Committee on the Judiciary.

By Mr. REID of New York:

H.J. Res. 747. Joint resolution to establish a Joint Select Committee on Civil Disorder; to the Committee on Rules.

By Mr. TUNNEY:

H.J. Res. 748. Joint resolution creating a Joint Committee To Investigate Crime; to the Committee on Rules.

By Mr. GJBSER:

H. Con. Res. 424. Concurrent resolution expressing the sense of the House of Representatives concerning military forces in the Congo; to the Committee on Foreign Affairs.

By Mr. GERALD R. FORD (for himself, Mr. ARENDS, Mr. LAIRD, Mr. CRAMER, Mr. POFF, Mr. RHODES of Arizona, Mr. BOB WILSON, Mr. GOODELL, Mr. SMITH of California, Mr. ANDERSON of Illinois, Mr. MARTIN, Mr. LATTI, and Mr. QUILLEN):

H. Con. Res. 425. A resolution to establish a joint congressional committee to investigate riots and violent civil disorder; to the Committee on Rules.

By Mr. BUTTON:

H. Con. Res. 426. Concurrent resolution relative to military forces in the Congo; to the Committee on Foreign Affairs.

By Mr. MYERS:

H. Con. Res. 427. Concurrent resolution

relative to military forces in the Congo; to the Committee on Foreign Affairs.

By Mr. FRELINGHUYSEN:

H. Res. 815. Resolution to create a select committee to investigate the cause of riots in large metropolitan areas; to the Committee on Rules.

By Mr. GALLAGHER:

H. Res. 816. Resolution concerning Rhodesia; to the Committee on Foreign Affairs.

By Mr. ASHLEY:

H. Res. 817. Resolution to create a select committee to investigate causes of riots in large metropolitan areas; to the Committee on Rules.

By Mr. HOLLAND:

H. Res. 818. Resolution concerning Rhodesia; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BENNETT:

H.R. 11780. A bill for the relief of Dr. Jorge R. Guerra; to the Committee on the Judiciary.

By Mr. BROWN of California:

H.R. 11781. A bill for the relief of Dea Lay-Hong; to the Committee on the Judiciary.

By Mr. DON H. CLAUSEN:

H.R. 11782. A bill to authorize and direct the Secretary of the Interior to accept allotment relinquishments, approve a lieu allotment selection, and issue appropriate patents therefor to the heirs of Dolly McCovey; to the Committee on Interior and Insular Affairs.

By Mr. COHELAN:

H.R. 11783. A bill for the relief of Bessie Williams; to the Committee on the Judiciary.

By Mr. GOODLING:

H.R. 11784. A bill for the relief of Kim Young Nam; to the Committee on the Judiciary.

By Mr. HANLEY:

H.R. 11785. A bill for the relief of Gaetano Di Marco, Benedetta Di Marco, and Gustavo Di Marco, husband, wife, and minor child; to the Committee on the Judiciary.

H.R. 11786. A bill for the relief of Vito Williams; to the Committee on the Judiciary.

By Mr. JOELSON:

H.R. 11787. A bill for the relief of Dr. Conrado Gonzalez-Nunez; to the Committee on the Judiciary.

By Mr. KAZEN:

H.R. 11788. A bill for the relief of Mrs. Gisela Haller; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 11789. A bill for the relief of Dr. Domingo A. Garcia, his wife, Purificacion Romoso Garcia, and their children, Margaret Garcia and Virginia Garcia; to the Committee on the Judiciary.

By Mr. MORSE:

H.R. 11790. A bill for the relief of Rosamond H. Campoplano; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 11791. A bill for the relief of Ana Adelina Machado; to the Committee on the Judiciary.

By Mr. TENZER:

H.R. 11792. A bill for the relief of Livia Villano; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

132. Mr. STRATTON presented a petition of the Center for Human and International Relations, Geneva, N.Y., urging Congress to appropriate funds, commensurate with the importance and magnitude of the problems

to be coped with, to implement the 1966 International Education Act and to support an effective, long-range foreign aid program, which was referred to the Committee on Appropriations.

SENATE

TUESDAY, JULY 25, 1967

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

Rev. Edward B. Lewis, D.D., minister, Capitol Hill Methodist Church, Washington, D.C., offered the following prayer:

O God of peace, good will, and understanding love, we bow before Thee in repentance for our sins. Today we see in our own cities brother fighting against brother, neighbor against neighbor, even children against parents. We have strayed from our intended creation. We are not living in touch with each other or Thee. We do not know the serenity of peace, good will and understanding love. In fact, dear Lord, reason and intelligence have taken second place to vengeance.

Look upon us in our frustrations and bewilderment with a quickening of new faith, hope, and love. Keep steady and enlighten the leadership of this Nation. Give pause to its citizens as we contemplate the consequences of irresponsibility.

Bring peace to the streets of our cities. Help us to learn together what has caused our plight and show us the path to a better life for all coming from the tragedies we have brought on ourselves. We pray in the Master's name. Amen.

MESSAGES FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the amendments of the House to the bill (S. 1191) entitled "An act to provide for the disposition of a judgment against the United States recovered by the Southern Ute Tribe of the Southern Ute Reservation in Colorado."

THE JOURNAL

On request of Mr. LONG of Louisiana, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 24, 1967, was dispensed with.

ORDER OF BUSINESS

Mr. LONG of Louisiana. Mr. President, under the unanimous-consent agreement entered yesterday, the Senator from Massachusetts [Mr. BROOKE] is to be recognized for 30 minutes, and the Senator from Arizona [Mr. FANNIN]

is then to be recognized for 20 minutes. I believe that the Senator from Massachusetts is necessarily absent, and I ask unanimous consent that the Senator from Arizona be recognized at this time.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. FANNIN. Mr. President, I wish to express my appreciation to the Senator from Louisiana for this privilege.

Mr. CARLSON. Mr. President, will the Senator from Arizona yield to me for 2 minutes?

Mr. FANNIN. I am pleased to yield to the distinguished Senator from Kansas.

THE JOE ANDERSON PLATOON

Mr. CARLSON. Mr. President, tonight, at 10 p.m., the CBS television network will have a special program which I urge all Senators and friends to watch. It is a rare opportunity to gain a little better understanding of what U.S. participation in Vietnam involves for the young American men who are fighting in that war.

The program is entitled "The Joe Anderson Platoon," and is a rerun of a program presented earlier this month. The program was filmed by a French company and was first shown in Europe. I understand that it had a very favorable and widespread effect on the Europeans who had the opportunity to see it.

A good portion of the film was taken in actual combat situations in the northern zone of South Vietnam. I am sure Senators will agree with me that it contains some of the finest pictures ever taken of combat action.

The program has already won wide acclaim for its presentation of the conflict in Vietnam, and for this reason, I recommend it to everyone.

But I have a more personal interest in recommending the film. The featured individual in the program, Lt. Joe Anderson, is from Topeka, Kans.; and when I appointed him to West Point in 1961, he was the first Negro ever appointed from Kansas to a service academy.

Lieutenant Anderson had a record of outstanding achievements long before the film was produced. He was an honors graduate and captain of the Topeka High School football team. He was an outstanding graduate of the Military Academy. Then, at the Army Ranger School, he was No. 1 in his class.

In July of 1966, Lieutenant Anderson was sent to Vietnam. Only days after arriving, he and his platoon were given the assignment of rescuing another platoon which had been nearly wiped out by a North Vietnamese battalion. Despite heavy fire from the numerically superior enemy troops, Lieutenant Anderson's battalion forced the North Vietnamese battalion to withdraw. The enemy took heavy casualties, eight members of the platoon were saved, and Anderson's platoon suffered only one injury.

For his leadership and for his heroism in constantly exposing himself to enemy fire in this action, Lieutenant Anderson was awarded the Silver Star. Later acts of heroism by Lieutenant Anderson

earned him the Bronze Star and an Oak Leaf Cluster.

There is an interesting footnote to this fact. The superintendent at West Point when I appointed Lt. Joe Anderson to the academy was General Westmoreland, our present commander in Vietnam. When I was in Vietnam earlier this month, General Westmoreland reminded me of this and told me of the outstanding work done by Lieutenant Anderson when he was at West Point and the wonderful job he has done for his country in Vietnam.

I urge everyone to observe this very fine film this evening.

I thank the Senator from Arizona.

Mr. FANNIN. I commend the distinguished Senator from Kansas for his suggestion. I support his position, and I trust that many of our colleagues will have the opportunity to see the film.

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Will the Senator from Arizona yield?

Mr. FANNIN. I am happy to yield to the distinguished Senator from West Virginia.

RIOTS VERSUS LAW AND ORDER

Mr. BYRD of West Virginia. Mr. President, yesterday morning at 10:56, Governor Romney notified the President that the State of Michigan was unable to maintain order in Detroit.

At 11:02—just 6 minutes later—the President instructed Secretary McNamara to begin moving troops to an air base outside the city. Within a few hours, approximately 5,000 troops were on the base—ready to move if they were needed.

Late yesterday afternoon, it was thought that State and local forces could maintain order in Detroit. But the troops remained on 30-minute alert.

At 10:30 last night, the situation had seriously worsened. Acting on the unanimous advice of all concerned—the Governor, the mayor and his advisers on the spot—the President ordered the troops into Detroit.

He did this with the greatest reluctance, for it is the solemn duty and responsibility of local authorities to insure the peace in their communities. Only in extraordinary circumstances, where the local authorities offer proof that they cannot insure that peace or enforce the laws, should Federal troops be deployed in civil situations.

The President acted deliberately, prudently, but forcefully. He acted out of respect for the American Federal system—and in the interest of law and order.

Last night, addressing the Nation, the President sternly warned that

We will not tolerate lawlessness. We will not endure violence. It matters not by whom it is done or under what slogan or banner. It will not be tolerated. This nation will do whatever is necessary to suppress and to punish those who engage in it.

He put the riots in perspective. He said:

Pillage, looting, murder and arson have nothing to do with civil rights. They are criminal conduct.

Our Nation is going through a time of crisis in its cities. It shocks and disturbs every man and woman, white and Negro, who loves this country, and who wants to see it prosper in unity and peace.

This crisis will pass if we act with wisdom and cool heads. It will pass if we set about healing the wounds it has caused.

When it does pass, we shall be grateful for the wise and forceful leadership the President has shown in this hour of crisis.

Mr. President, I thank the distinguished Senator from Arizona for his kindness in yielding to me.

Mr. FANNIN. Mr. President, I commend the Senator from West Virginia for the statement he has made and for the position he has taken, not only in this instance but also for his continuing desire to be of assistance in that regard.

Mr. BYRD of West Virginia. I thank the Senator.

ALTERNATIVES TO HIGHER TAXES ARE AVAILABLE

Mr. FANNIN. Mr. President, the Congress faces a critical economic decision. Very soon it will have to decide the fate of a proposed surtax increase, a measure wholly and enthusiastically supported by the administration. Hardly a day goes by now when one of its spokesmen is not dinning the Nation's ears with justifications for still higher taxes.

Initially, the justification was altogether economic, as the President himself voiced in his 1967 state of the Union message: a modest surtax increase was necessary, we were told, to head off inflation, which then, as now, was a serious national problem. But many Americans, myself included, were unconvinced. The economy even then showed telltale signs of needing a fiscal stimulant more than a depressant, and the likelihood of a recession was hardly more attractive than inflation, especially for the thousands of Americans who would face the very real prospect of being unemployed.

But the administration was not to be denied. It quickly altered its rhetoric to fit the new situation, a situation in which economic theory became secondary: these are moral reasons, we were reproved, why in wartime the homefront should be called upon to make additional sacrifices. One respected journalist, who, by the way, very much opposes U.S. involvement in Vietnam, went so far as to write, "To raise taxes in time of war is the moral and decent and self-respecting thing to do." The fight for higher taxes was thereby anointed a holy war, with the advocates of higher taxes fighting alone to preserve duty, honor, and country. Or so they would have us believe.

But the claim is patently false, wholly ridiculous. Logically, if it is moral to raise taxes in time of war, it is immoral to keep them at high levels in peacetime.

But logic, unfortunately, seldom is the guiding spirit of political discourse. The somewhat overlooked fact is that Americans already turn over to government—local, State and Federal—as high a percentage of our income as we did in 1943 and 1952, the years when defense costs for World War II and Korea were enormous. The point I am making here is not that Americans cannot pay more in taxes, and for the most part do so willingly, to finance the war—should the administration ever present evidence that more money is required for that purpose. But this the administration has not done.

This Nation is most assuredly confronted with a crisis in its fiscal affairs. And Congress must make the decision which, rightly made, could assure economic stability and progress or, wrongly made, could retard business growth and usher in a period of recession coupled with inflation. Needless to say, this is a fateful decision—one which the Congress, unlike the administration, cannot rightly make by closing its eyes to certain economic realities.

One such reality is that a tax increase is not the only weapon, and certainly not the best weapon, for limiting inflation or for regulating the national economy. A far more sensible approach is to reduce expenditures, at least to the level where Federal spending matches tax receipts. But this approach the administration has not proposed; nor, regretfully, does Congress appear willing to enforce.

The deficit for the fiscal year just ended was a staggering \$11 billion, an amount exceeded only by the deficits recorded during World War I, World War II and fiscal 1959. Moreover, the planned deficit for fiscal 1968 is \$13.6 billion—a level that can be maintained only if the costs for Vietnam do not grow and if the administration wins its surcharge increase. The most reliable estimates now are that the 1968 deficit will total far more than that, perhaps as high as \$30 billion.

Now I realize it is fashionable in new economics circles to question whether deficits cause inflation, and it does depend in part on the method of financing. Still, deficits can help swell the money supply, and it is not unfair to say that easy money has played a significant part in the drastic decline of the dollar's purchasing power. For example, the U.S. dollar that was worth 100 cents in 1941 has today become a 45-cent dollar in terms of the goods and services it will buy. Also, huge and uncontrolled Federal spending can be itself inflationary, especially when it operates in conditions of labor shortage and generally high use of plant capacity. And, at least until very recently, these conditions for the most part dominated the economy.

Of course, another chief cause of inflation is organized labor's excessive wage and benefit demands, which have no relationship whatever to increased productivity. Yet in light of this, the administration cowardly abandoned its former wage-price guideposts of 3.2 percent. Now, as the economy rises, as costs continue to climb, as productivity increases, it is only right that labor share in the

general well-being. But the administration is only opening the anti-inflation dike by not setting strong barriers against the granting of wage demands of 6 or even 8 percent. Therefore, if it is inflation that concerns the administration, it could take an effective step by reestablishing and enforcing realistic wage-price guidelines.

It is unnecessary to point out the tragic effects of inflation, especially on individuals on fixed incomes, whether they are wage earners, bondholders, pensioners, or creditors. That fact is well known. But inflation also is costly for Government, which finds itself obligated to protect those groups—at least the most politically powerful—whose incomes cannot keep pace with the rise in the cost of living. This is happening now not only in social security but in welfare and relief programs of all kinds.

We have had a budget deficit in each of the past 7 years and 31 deficits in the last 37 years. And these results have not been accidental. So large has the national debt become, at its present level of \$322 billion, that 10 cents of every tax dollar goes just to pay the interest on it. In fact, as one writer pointed out, the estimated \$14.2 billion interest charge on the debt in 1968 is more money than Congress will appropriate to operate the Departments of State, of Labor, of Interior, of Justice, of Commerce, and of Agriculture, as well as to finance the Atomic Energy Commission and the District of Columbia.

But, again, the size of the debt is not a concern of the new economists, who repeatedly remind us that the Federal debt in real per capita terms has actually dropped during the last 20 years, from \$1,817 at the end of the 1946 calendar year to \$1,641 in 1965. Very well. But what those statistics do not reveal is that the per capita debt burden for all governments—Federal, State, and local—actually increased from \$1,932 to \$2,163 during the same period. The advocates of the new economics also conveniently overlook the rise in personal debt, which has jumped more than 500 percent in the past 20 years. Now, if the personal indebtedness merely reflected a tendency to keep up with ones neighbors, we could perhaps dismiss it out of hand, though that would in no way lessen its burden on the individuals themselves. The simple fact is, however, that a significant amount of personal indebtedness can be tied to such vital national needs as higher education, and is therefore hardly a frill. Rather than concern themselves only with the Federal debt, public planners should take into account total per capita debt, which has jumped to an alarming \$7,250 in 1966, or approximately double its \$3,130 level of 20 years earlier. Clearly, every American man, woman, and child already is shouldering a heavy burden.

Of course, the administration has sought to tie the deficits and its record budgets to higher defense costs. But this is not the case. Since 1960, annual Federal expenditures have increased 83 percent, with expenditures for national defense—including \$22 billion this year for Vietnam—up 68 percent and nondefense

expenditures up 97 percent. Furthermore, spending for national welfare and health programs has increased 210 percent during the same 8-year period. This indicates, therefore, as former Budget Director Maurice Stans noted, that the major thrust of higher Federal spending since 1960 is not due to Vietnam, but is in the civilian nondefense activities of the Government.

Naturally, should the Nation's military commitment increase in Vietnam, we would perhaps be left with no alternative to a tax increase. But higher taxes should not come before nonessential spending is cut to the lowest possible level. As my distinguished colleague Senator WILLIAM PROXMIRE said:

If the government has to allocate more of the national resources to defense purposes, we should cut down on the government's other claims on resources. Why should the government go on consuming more than ever when it asks the private sector to do less?

And therein lies the illogic of the new tax proposal. On one hand the Government is pursuing inflationary policies, which obviously penalize the people; then, precisely because of those misguided policies, it wants to impose further penalties on the people in the form of stiffer taxes. The one economic reality it refuses to consider, or even to recognize, is a cutback on its own ballooning nondefense spending. No one denies the existence of problems for which large amounts of money, no less than imagination, are needed. But impatience to correct these ills is not sufficient reason to abandon basic economic truths. A surcharge of 6 percent, while imposing a heavy burden on individuals and corporations, would raise approximately \$6 billion during this fiscal year, and then only if it were made retroactive to July 1. Therefore, while giving the illusion of sound fiscal policy; namely, an attempt to bring the budget into balance, the higher tax would make no more than a small dent in the estimated deficit. It would be far more sensible to cut back spending by the \$6 billion figure, especially in light of expert testimony that even greater cuts can be made without harming those who truly need and deserve our help.

Specifically, substantial savings can be effected by reducing our present military troop strength in noncombat theaters, primarily Western Europe. Recent breakthroughs in war technology, coupled with the Western European nations' ability to provide for more of their own defense, greatly lessens the necessity for a substantial U.S. manpower commitment, even as high as the administration's proposed level of 225,000 troops. This is particularly true in light of Great Britain's recently announced cuts in its overseas military obligations.

A second area for budgetary savings is the Nation's space program, at least those phases not wholly tied to national defense or military security. Obviously, we cannot and should not abandon efforts to learn more about our environment, but neither should we, in this critical fiscal period, proceed as though money were no problem whatever.

Third, big cuts can be made in the

administrative costs of the poverty war, which is topheavy with high-paid executives and consultants.

Another area in which to bring about savings is the personnel costs of the executive agencies. This can be accomplished by setting and enforcing numerical employee levels above which Federal agencies cannot hire. For example, 1960 civilian employment in the Federal Government has grown by 25 percent while U.S. population has increased by only 10 percent. This trend must and can be stopped.

These are by no means the only areas in the budget for savings. But they do, I believe, support the belief that the budget can be cut, and cut significantly. A respectable reduction in spending would invalidate any need for higher taxes.

There is, of course, also the important question whether a tax increase is by itself an effective remedy for reducing deficits. As our experience with the investment tax credit and the 1964 tax reduction should have proved, business activity is largely responsible for the big flow of tax money into the Government. But tax receipts increase when business activity is expanded, not when new barriers to the sale of goods are imposed. If a tax increase is voted now, the result might be to slow down business to such a degree that tax receipts would rise very little in spite of the higher rates imposed. Or, also, if the tax rate is increased, it seems as likely as not that the administration would use the additional revenues to expand inflationary spending, thereby adding to the Nation's already great fiscal problems.

Also open to question is the wisdom of constantly juggling taxes in accordance with someone's view of how the economy should be performing. I do not mean to imply that the level of taxation should be necessarily static, never to be revised upward or down. That position would be illogical. But frequent tax changes are unsettling to business planning as well as to family and even Government budgets. And until such time that Government economists perfect their ability to produce a thriving economy, free of both inflation and recession, tax juggling will remain a real and valid objection.

A remedial step Congress could take, at least to protect against the high deficits which prompt calls for higher taxes, would be to demand honest budget requests from all agencies, military as well as civilian. In its annual budget message to Congress, the administration has time and again underestimated expenditures and overestimated receipts—the end result of which is the need for supplemental appropriations and far bigger deficits than first estimated. This practice must end. First, the administration must start presenting a realistic budget request to the Congress, perhaps setting aside a \$10 billion contingency fund to provide for higher-than-estimated expenses or lower-than-estimated tax receipts. Second, the military and civilian agencies of Government should be required to live within their budgets, unless it can be proven that by so doing the national security is being jeopardized.

But should all nonessential spending not be cut, or should our commitment to Vietnam increase, it will doubtless be necessary for Congress to head off the potentially disastrous effects of a huge Federal deficit. That, however, should be the last, not the first, step. And should a higher tax come, in whatever form, Congress has a responsibility to label it "temporary" and to provide for its termination at the end of 1 year. In no case should the new tax be used to support a generally higher level of spending.

A decision to cut and postpone spending is admittedly not an easy one to make. But it is the course favored by most Americans. Both the Harris and the Gallup polls recently reported that as many as two-thirds of the public favor a cut in spending over yet higher taxes, a finding completely borne out by my correspondence. And, most surprisingly of all, a recent poll of union members revealed that their foremost concern was not for more benefits, but against higher taxes. Surely this tends to confirm the belief that most Americans are finding it very difficult to pay more than they presently do toward the cost of Government.

The time has come for the Congress to put restraints on the excesses that we ourselves have permitted. Our choice in the weeks ahead, our decision either to raise taxes or to cut spending, will affect the Nation's economy for a long time to come. Either it will continue to move ahead, or it will not. Either it will permit us to operate from a position of economic strength, or it will not. Either it will help us improve the lot of all Americans, or it will not. The choice is ours. And we must make it now.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, it is my understanding that the distinguished Senator from Massachusetts [Mr. BROOKE], who had 30 minutes allocated to him today, has vacated his request. Therefore I ask unanimous consent that I may proceed for not to exceed 10 minutes.

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

SUMMER OF DISSENT AND VIOLENCE

Mr. MANSFIELD. Mr. President, this is the summer of dissent and violence in our country. It does no good to point the finger of blame at an administration, a political party, the Congress, or State and local authorities. All of us, I daresay, must assume a share of that burden. Neither does it do any good to raise the cry of "police brutality" on each and every occasion when a disturbance occurs.

It does no good in times of difficulty to put in false alarms, to commit arson or to plague the work of those who are charged with the keeping of the public safety in the cities where these outbreaks occur. The police in almost all instances are seriously undermanned and underpaid. The respect which they should and must have to uphold the law has been,

all too often, made the mark of the demagogue.

No citizen of this country has the right to riot. There are ways and means through lawful procedures to redress grievances, and those grievances wherever they exist must be given the most serious and prompt attention. Where legitimate, all citizens have a right to expect that every effort will be made to correct them.

The pattern of violence which has, still is, and will perhaps continue to plague our Nation throughout this simmering summer, barely a month old, must be faced at the local level where it occurs, at the State level when it gets out of control, and at the national level when the Governors of the State, for good and valid reasons, petition the Federal Government for assistance.

There is much that can be done at the local and State level, and that should be the first recourse. But there is much which has been done and still can and must be done at the national level.

The difficulties which confront us call for a united effort on the part of both parties in the Congress. We must work together to pass necessary legislation and to do so in a spirit of understanding and cooperation rather than with the voice of the demagogue.

I would urge the Senate, therefore, to give prompt consideration to President Johnson's proposals on safety in the streets, to the providing of funds to combat poverty, to the passing of anti-riot legislation which at the same time will protect the rights of all our citizens, to consider legitimate gun control legislation, and to report out as expeditiously as possible proposals seeking to set up a special joint committee or commission to investigate the reasons for the civil disorders and spreading discontent in our cities and to recommend remedies.

I commend the President for the many proposals he has made to the Congress seeking to alleviate the difficulties of our less fortunate citizens of all races, colors, and creeds, and I urge the Congress to give as prompt consideration as possible to the proposals he has suggested to it this year. Instead of blaming the President for what has occurred in various parts of our Nation and which will be a continuing occurrence unless attended to, I would recall to my colleagues the old truism that while the President proposes, the Congress disposes.

This is not the time for any of us to find fault with the other party, nor is it the time for any of us, regardless of party, to find fault with the President. The situation calls for as much of a meeting of the minds as is possible. In this travail which affects all of us directly, we must try to work together and pass the legislation necessary to meet the difficulties in these areas of discontent, dissension, and disillusion.

The price we have already paid is very high. If we do not work together regardless of politics, the price will go far higher. The consequences of inaction and avoidance of responsibility by all concerned in government will be as a shadow lengthening over our land.

It is time also for our citizens to recognize that, individually as well as collectively, they have a bounden duty to respect and cooperate with the law, to accept the responsibilities which go with citizenship, in order to see to it that a very small minority will not run rampant over all rights in the areas which have been plagued or are threatened by riots, murders, and looting.

This Republic will survive this summer and other summers which will come. I hope, however, that it will survive on the basis of dignity, mutual respect, and adherence to the law. There can be no yielding to the demagoguery of any individuals or any group, or the days of the Republic would, indeed, be numbered.

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

Mr. MANSFIELD. I yield.

Mr. MORSE. I rise to commend the Senator from Montana, our majority leader, for once again making a statement of great leadership here on the floor of the Senate. It is a further demonstration of his statesmanship. I quite agree with him that there is not the slightest basis for the entry of partisanship into the consideration of the great crisis that faces the Republic.

As I said on the floor of the Senate yesterday afternoon, in my judgment the President of the United States is demonstrating courage and leadership that deserve the thanks of every American, irrespective of the politics of that American.

I regret that there has been some reference to partisanship in regard to the matter and criticism of the President by some newspapers because he vetoed, for example, some crime legislation. But he vetoed the crime legislation, as he made perfectly clear, because of the obvious unconstitutionality of various sections of it. He took the same oath we took to uphold the Constitution. In my judgment, he should have vetoed that legislation. It is up to Congress to pass legislation that complies with the decisions of the Supreme Court in regard to constitutionality. We do not help solve the crime problems in this country by passing legislation that is certain to be declared unconstitutional.

Certainly, the President of the United States would not be acting in keeping with his responsibilities as President of the United States if he did not follow the advice of his Department of Justice, which, in that instance, pointed out to him its views as to the unconstitutionality of that act.

I am for passing legislation to control crime; but let it be constitutional. I raise my voice in defense of my President for having the courage to carry out his responsibility to veto that legislation and any other legislation to which reference has been made by newspapermen in recent hours.

Here is a President who, in my judgment, will be remembered in history for proposing one piece of legislation after the other to come to the assistance of the underprivileged, of the people who need jobs, who need better education, who need housing, who need assistance for rent supplements so they can live in decent quarters. Let us face up to the fact

that there is a need for legislation to provide domestic aid in behalf of the underprivileged among our citizenry.

President Johnson concentrated on the situation in Detroit yesterday—as he should have. He refused to be diverted by the partisan attacks. He is the President of all of the American people responding to their needs and rights in an hour of great crisis in our country's history. To throw political brickbats at him at a time when all Americans should rally behind him is but a form of political rioting by shortsighted partisans.

Some of the congressional political critics have voted methodically against every program of relief and rehabilitation for our cities. Just last week some of them tried to laugh a bill off the floor of the House, that would have helped families living in dehumanizing ghettos to fight the rats that attack their children.

Not long before that, some of his political detractors helped kill a plan to create more low-income housing for the poor, in the cities. They voted against a rent supplement bill. They joined in reducing the appropriation for model cities from \$600 million this year to \$200 million. They oppose any form of a gun control bill, that just might have kept a few rifles out of the hands of snipers. If they were allowed to have their partisan way, they would gut the poverty program. They have hacked and thrown political bricks at and pummelled, the safe streets bill that would give our cities better tools for fighting crime and enforcing order.

Yet they have the political effrontery to blame the Johnson administration for the riots that are exploding in our cities.

What is their program? More artillery? More tanks? Air strikes on the cities? It is hard to tell.

They seem to support one bill, anyway: a bill to seize those persons, whoever they may be, who cross State lines under the blanket charge that they plan to incite a riot. They give the impression that they would rather pick off rabble-rousers than deal with the problems of underprivileged tens of thousands in our cities. They would rather swat a mosquito than drain the ghetto swamps that breed thousands of social problems. They would rather build a bigger jail than help people stay out of the ones we have.

They demonstrate political irresponsibility in an hour of great peril by feeding flames of disunity in a partisan attempt to place the blame for the unrest in our cities on this administration, and to charge the President with neglect—with "totally failing to recognize the problem."

I am sure the overwhelming majority of the American people will call them to the bar of public opinion for their unfair attack on the President. They should be asked why they have steadfastly fought the programs that would relieve the conditions that feed the riots. They should be challenged on their bookkeeping—these great defenders of budgetary prudence. Do they prefer to see an American city lose \$150 million in 2 days of riot, than to spend \$20 million to help rid our city slums of rats?

So I rise to support every word that the majority leader has uttered. We are

in an hour of great crisis, and this is the time, in my judgment, for us to rally in a nonpartisan fashion behind our Government.

Mr. MANSFIELD. Mr. President, I agree with what the distinguished Senator from Oregon has said about the crisis which confronts us and agree with him that the President has not ignored this problem.

I point out that the legislation which the President has been accused of vetoing, and, which he did veto, was vetoed on constitutional grounds, as the Senator from Oregon has indicated. But apart from that and to demonstrate the irrelevance of that presidential veto to the present crisis, it was legislation which applied only to the District of Columbia, as I recall, and not to the Nation as a whole.

The President has also been accused of being against antiriot legislation. To the best of my knowledge, the President has never issued a statement on such legislation, because it originated in Congress, and he was letting Congress work its will.

I would, of course, hope that if and when antiriot legislation is considered in the Senate the constitutional safeguards guaranteed to all our citizens will be maintained.

Then, of course, we know that the President, who can only propose, did send to Congress legislation having to do with housing, model cities, rent supplements, safety in the streets, and a number of other proposals. The difficulty is that Congress has not acted on those proposals.

Therefore, I cannot see how the President can be blamed for Congress not acting, when the responsibility for carrying out the proposals which he has advanced, seeking to face up to these problems in the cities and the urban areas, have not been taken up by committees nor brought to the floors of Congress for consideration.

So I join with the Senator from Oregon in commending the President for the action which he has taken. It was most difficult. He did so only in response to a request from a Governor of a State. He had no other choice, if he was to exercise his leadership as the Chief of State of this Nation.

I only hope that out of this travail through which we are all passing, there will come some peace and stability, some recognition of the needs of these people, who are underprivileged, undernourished, dispossessed, disillusioned, and discouraged.

LIMITATION ON STATEMENTS DURING THE TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, with statements limited to 3 minutes.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. BYRD of West Virginia, and by unanimous consent, the

following committees were authorized to meet during the session of the Senate today:

The Committee on Banking and Currency;

The Committee on Government Operations;

The Subcommittee on Juvenile Delinquency of the Committee on the Judiciary;

The Military Construction Subcommittee of the Committee on Armed Services;

The Subcommittee on Education of the Committee on Labor and Public Welfare; and

The Subcommittee on Business and Commerce of the Committee on the District of Columbia.

EXECUTIVE SESSION

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to executive session, for action on nominations.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. MAGNUSON, from the Committee on Commerce:

Grant E. Syphers, of California, to be an Interstate Commerce Commissioner;

Ashton C. Barrett, of Mississippi, to be a Federal Maritime Commissioner; and

Dale Wayne Hardin, of Illinois, to be an Interstate Commerce Commissioner.

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Benjamin H. Oehlert, Jr., of Georgia, to be Ambassador Extraordinary and Plenipotentiary to Pakistan; and

Kennedy M. Crockett, of Virginia, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary to Nicaragua.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nomination on the Executive Calendar.

NATIONAL MEDIATION BOARD

The legislative clerk read the nomination of Leverett Edwards, of Oklahoma, to be a member of the National Mediation Board.

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

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

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

LEGISLATIVE SESSION

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

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON PROPERTY ACQUISITIONS OF EMERGENCY SUPPLIES AND EQUIPMENT

A letter from the Acting Director of Civil Defense, Department of the Army, reporting, pursuant to law, on property acquisitions of emergency supplies and equipment by that Department, for the quarter ended June 30, 1967; to the Committee on Armed Services.

REPORT OF LADIES OF THE GRAND ARMY OF THE REPUBLIC

A letter from the District of Columbia Representatives, Ladies of the Grand Army of the Republic, Inc., transmitting, pursuant to law, a report of that organization for their national convention, held at Grand Rapids, Mich., in 1966 (with an accompanying report); to the Committee on the Judiciary.

REPORT OF PROJECTS COMMITTEE, NATIONAL RIVERS AND HARBORS CONGRESS

A letter from the executive vice president, National Rivers and Harbors Congress, Washington, D.C., transmitting for the information of the Senate, report of the Projects Committee of the National Rivers and Harbors Congress prepared following public hearings on May 31, 1967, at the 54th annual convention of the association (with accompanying papers); to the Committee on Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPONG, from the Committee on the District of Columbia, with amendments:

H.R. 8718. An act to increase the annual Federal payment to the District of Columbia and to provide a method for computing the annual borrowing authority for the general fund of the District of Columbia (Rept. No. 406).

By Mr. MAGNUSON, from the Committee on Commerce, with an amendment:

S. 1003. A bill to amend the Flammable Fabrics Act to increase the protection afforded consumers against injurious flammable fabrics (Rept. No. 407).

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. KUCHEL (for himself and Mr. MURPHY):

S. 2159. A bill to establish the Fort Point National Historic Site in San Francisco, Calif., and for other purposes; to the Committee on Interior and Insular Affairs.

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

By Mr. ERVIN:

S. 2160. A bill to amend title 18, United States Code, to make a misdemeanor the flight, in interstate or foreign commerce, by any person who is the parent of a minor child or who is a married man, if such person so flees with the intent of evading his legal responsibilities with respect to the support or maintenance of his minor child or of his wife; and

S. 2161. A bill to confer jurisdiction upon the U.S. Court of Claims to hear, determine, and render judgment upon the claim of Sue Crawford Robinson; to the Committee on the Judiciary.

By Mr. BIBLE:

S. 2162. A bill to amend the act of January 17, 1936 (49 Stat. 1094), reserving certain public domain lands in Nevada and Oregon as a grazing reserve for Indians of Fort McDermitt, Nev.; to the Committee on Interior and Insular Affairs.

By Mr. PASTORE:

S. 2163. A bill to remove the authority of the Secretary of the Treasury to prohibit, curtail, or regulate the melting or treating of coins of the United States; to the Committee on Banking and Currency.

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

By Mr. YARBOROUGH (for himself and Mr. Tower) (by request):

S. 2164. A bill for the amendment of the patent laws, title 35 of the United States Code, to eliminate delay in the issue of patent applications caused: (a) by protracted prosecution due to the filing of successive applications on the same subject matter, namely, divisions, continuations, and continuations-in-part, and due to interferences, and due to appeals; (b) by congestion of the Patent Office due to Government-sponsored and other defensive patent applications, and due to multiple applications on several similar or related inventions more easily examined together, and (c) by delayed filing of applications, thereby to promote the progress of the useful arts; to the Committee on the Judiciary.

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

By Mr. WILLIAMS of New Jersey:

S. 2165. A bill for the relief of Rene E. Montero; and

S. 2166. A bill for the relief of Yeung Yi San, also known as Lee Cheung On; to the Committee on the Judiciary.

By Mr. HOLLAND:

S. 2167. A bill for the relief of Dr. Rolando Pozo y Jimenez; and

S. 2168. A bill for the relief of Dr. Pedro Pina y Gil; to the Committee on the Judiciary.

By Mr. DOMINICK (for himself and Mr. ALLOTT):

S. 2169. A bill to authorize the Mount Carbon project for flood protection and other purposes on the Bear Creek in Colorado; to the Committee on Public Works.

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

By Mr. TOWER (for himself and Mr. ALLOTT, Mr. BENNETT, Mr. COTTON, Mr. DIRKSEN, Mr. DOMINICK, Mr. EASTLAND, Mr. GRUENING, Mr. FANNIN, Mr. FONG, Mr. KENNEDY of New York, Mr. KUCHEL, Mr. MCCARTHY, Mr. MONDALE, Mr. MORTON, Mr. MOSS, Mr. MURPHY, Mr. PELL, Mr. PROUTY, Mr. RIBICOFF, Mr. SCOTT, Mr. SPARKMAN, and Mr. YARBOROUGH):

S. 2170. A bill to amend title 10, United States Code, to equalize the retirement pay of members of the uniformed services of equal rank and years of service, and for other purposes; to the Committee on Armed Services.

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

By Mr. HARRIS (for himself, Mr. MONDALE, Mr. MONRONEY, Mr. TYDINGS, Mr. LONG of Missouri, and Mr. BURDICK):

S.J. Res. 97. Joint resolution establishing a Joint Commission on Civil Strife; authorizing the Commission established to investigate riots and civil strife in the cities and urban centers of the United States and to report and make recommendations on an emergency basis for the prevention of such riots and the elimination of the causes thereof; to the Committee on Government Operations, by unanimous consent order.

(See the remarks of Mr. HARRIS when he introduced the above joint resolution, which appear under a separate heading.)

CONCURRENT RESOLUTION

ESTABLISHMENT OF A JOINT CONGRESSIONAL COMMITTEE TO INVESTIGATE RIOTS AND VIOLENT CIVIL DISORDER

Mr. DIRKSEN (for himself, Mr. BROOKE, and Mr. PERCY) submitted a concurrent resolution (S. Con. Res. 34) to establish a joint congressional committee to investigate riots and violent civil disorder, which was referred to the Committee on Rules and Administration.

(See the above concurrent resolution printed in full when submitted by Mr. DIRKSEN, which appears under a separate heading.)

FORT POINT NATIONAL HISTORIC SITE

Mr. KUCHEL. Mr. President, on behalf of my distinguished colleague, Mr. MURPHY, and myself, I send to the desk, for appropriate reference, a bill authorizing the establishment of the Fort Point National Historic Site in San Francisco, Calif.

Just under the south tower of the Golden Gate bridge, at the entrance of the San Francisco Bay, stands a classic example of a coastal fortification of the mid-19th century. It is one of the best examples of such military architecture in the United States and certainly the finest on the west coast of North America. Fort Point has been standing since 1861, but all too few people have noticed it, or even know of its existence. To me, this seems to be a waste of historical value, and for this reason, I am proposing this legislation to bestow on it the designation it so richly deserves.

So that the historical significance of Fort Point, known to some as Fort Winfield Scott, can be realized, I would like briefly to give its history. In 1776, long before Fort Point was even thought of, the Presidio at San Francisco Bay was founded by Spanish settlers to serve the dual function of controlling the Indians, and serving as a base for the great Spanish expeditions that explored the interior

and northern areas of the San Francisco Bay region. After 1792, the Presidio became the northernmost stronghold of the Spanish Empire, and the chief barrier against the British, Russian, and American expansion on the west coast.

The advances by the Russians, English, and Americans into the northern coast of California alarmed the Spanish; and, when Capt. George Vancouver, in the first non-Spanish ship to enter the San Francisco Bay, the *Discovery*, sailed through the Golden Gate on November 14, 1792, the Spanish began to realize how poorly the Golden Gate was being defended. This prompted the Spanish Viceroy, Revilla Gigedo, to build a new fort at the San Francisco Presidio. It was located about 1½ miles northwest of the original Presidio, 100 feet above the shoreline of the Golden Gate, and named Castillo de San Joaquin.

The news that Mexico had won its independence from Spain arrived in California in March 1822, and on April 13, the soldiers and citizens in San Francisco took the oath of allegiance to the Mexican Government. This marked the end of the Spanish Empire in California.

Mexico was more careless than Spain in her military establishments in California. From 1822 to 1835, the Mexicans watched the adobe walls of the Presidio and Castillo de San Joaquin disintegrate as a result of the rainy weather, and poor maintenance. Under the command of Mexican Lieutenant Vallejo, most of the Presidio garrison was transferred to the newly established frontier post of Sonoma, leaving only seven artillerymen to guard the ruined Presidio and Castillo de San Joaquin.

The city of San Francisco, then called Yerba Buena, was founded in 1835. By the end of 1836, all troops from the Presidio had been withdrawn, and all that remained were a few retired soldiers and their families. The forts were in ruins by 1840.

Six years later Captain John Charles Fremont led about 20 American settlers in an attack on Castillo de San Joaquin, met little resistance, and took possession of the town of Yerba Buena for the United States. Two years later, in 1848, the war ended between the United States and Mexico, and the Presidio and the Castillo were formally ceded to the United States. The Fort by this time was rubble.

When the United States troops finally came to occupy the Presidio, the old Spanish forts were reconstructed and put into a suitable condition. Two new forts were erected, one on Alcatraz Island, and the other at the entrance of the Bay where the ruined Castillo de San Joaquin once stood. They named the latter Fort Point.

During the Civil War, the Presidio and Fort Point were standing by to meet any attacks which might come their way. However, the war ended without any of the Bay's defensive works having fired a shot. Fort Point served its defensive mission simply by existing. After the Civil War, the old war guns in Fort Point were transferred to permanent Army posts for ornamental use. In 1905, the Fort was

declared obsolete and 9 years later was completely abandoned.

Today, the granite and brick of the fort is practically in the same condition as it was when it was built in 1861. Unfortunately, all of the iron work has rusted badly, and the mortar pointing of the masonry is eroded. Edward B. Page, president of the Fort Point Museum Association, estimated it would cost \$300,000 to restore the fort and turn it into a museum. This historical landmark is considered by many to be one of the finest examples of military architecture in the United States; and, as stated on a bronze tablet which was placed at Fort Point on June 24, 1966, by the Fort Point Museum Association, it is the only major building constructed in San Francisco before the Civil War which has remained basically unchanged.

This Congress has the opportunity to restore and preserve this historic edifice. My bill would transfer approximately 29 acres from the Army to the Secretary of the Interior without the transfer of any funds. As indicated, a relatively small expenditure will restore the fort and provide the necessary visitor services. I strongly recommend favorable consideration of this bill, and hope it may meet with very prompt and early action.

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

Mr. KUCHEL. Mr. President, has the bill been referred?

The PRESIDING OFFICER. Yes.

Mr. KUCHEL. To the Committee on Interior and Insular Affairs?

The PRESIDING OFFICER. That is the committee to which it would be referred.

The bill (S. 2159) to establish the Fort Point National Historic Site in San Francisco, Calif., and for other purposes, introduced by Mr. KUCHEL (for himself and Mr. MURPHY), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

INTRODUCTION OF A BILL TO PERMIT THE MELTING DOWN OF U.S. COINS

Mr. PASTORE. Mr. President, I send to the desk, for appropriate reference, a bill to remove the authority of the Secretary of the Treasury to prohibit, curtail, or regulate the melting or treating of coins of the United States.

This bill involves silver and the consumer—the people who use silver products, essential in everyday life. They are not luxuries. The silver in an X-ray film may save your life. This bill is in protest against the fantastic increase in the market price of silver—an increase brought about by the decision of the Treasury to get out of the business of selling silver. I do not object to this decision. I object strenuously to the effect it has had on the market price of silver. The price of silver has soared from \$1.29 to \$1.85 an ounce—an increase of 45 percent.

An important segment of industry in my State and all over the country is threatened with extinction unless some

immediate action is taken. Not only is the industry threatened, but thousands of Americans and their families, thousands of jobs are in jeopardy.

About 10 days ago, the Joint Commission on the Coinage, of which I am a member, met for the second time to make recommendations to the Secretary of the Treasury.

We were informed that the Treasury had minted sufficient new coins so that it would no longer be necessary to sell silver at a price which would make it unprofitable to hoard or melt down our old coins. This price was \$1.29 per ounce. Instead of selling silver at this price, the Treasury now proposes to sell up to two million ounces a week at the going market price through sealed bids.

The first of the Treasury's sales will be announced on August 4. In the meantime, the market price of silver has risen to \$1.85 per ounce. There is nothing to stop the price from going higher except an action which the Treasury did not take and that was to lift the prohibition against melting and treating 0.900 fine silver coins.

The Treasury has informed us it has successfully completed its new coinage program. My congratulations to the mint upon the successful completion of the most costly crash coinage program in the history of coinage.

The Coinage Act of 1965 states that whenever, in the judgment of the Secretary of Treasury, such action is necessary—to protect the coinage, I repeat, to protect the coinage of the United States—he is authorized to prohibit, curtail, or regulate the melting or treating of any coin of the United States.

The silver in our old coins is the last readily available supply of silver above ground. There is an ever increasing deficit between supply and consumption. The Treasury is attempting to make up a portion of this deficit through the sale of its excess supply. This is commendable but insufficient.

The Treasury must immediately lift the prohibition against melting or treating of old silver coins. This would make available to the market a portion of the 3 billion ounces taken away by the Government in the last 30 years, and more particularly, the three quarters of a billion ounces wastefully minted into coins since 1962.

I believe that the availability of this silver in the market would stabilize the price at a free market level. The bill I have introduced would make the silver in our old coins available—now.

For this reason, I urge speedy enactment of this bill to permit the melting down of our silver coins and to reduce the price of silver on the open market.

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

The bill (S. 2163) to remove the authority of the Secretary of the Treasury to prohibit, curtail, or regulate the melting or treating of coins of the United States; introduced by Mr. PASTORE, was received, read twice by its title, and referred to the Committee on Banking and Currency.

PATENT LAW CHANGE

Mr. YARBOROUGH. Mr. President, I join with my colleague from Texas, Senator TOWER, in introducing in the Senate a bill amending and reforming the patent laws. This bill has been drafted by the Houston Patent Law Association and is presented as an alternative to the administration-backed bill, S. 1042, now before the Senate Judiciary Committee. It is a revised version of H.R. 10027, by Mr. CASEY, and H.R. 10006 by Mr. BUSH.

My colleague and I offer this bill so that these alternatives may be before the Judiciary Committee when this subject is considered. This bill incorporates the recommendations of the Houston and the Texas Patent Bars and is expected to parallel the recommendations of the American Bar Association.

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

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

The bill (S. 2164) for the amendment of the patent laws, title 35 of the United States Code, to eliminate delay in the issue of patent applications caused: (a) by protracted prosecution due to the filing of successive applications on the same subject matter, namely, divisions, continuations and continuations-in-part, and due to interferences, and due to appeals; (b) by congestion of the Patent Office due to Government-sponsored and other defensive patent applications, and due to multiple applications on several similar or related inventions more easily examined together; and (c) by delayed filing of applications, thereby to promote the progress of the useful arts; to the Committee on the Judiciary, introduced by Mr. YARBOROUGH (for himself and Mr. TOWER) (by request) was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

S. 2164

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 35 of the United States Code, entitled "Patents" is hereby amended by adding new sections as follows:

"§ 123. Joinder of inventions and applicants

"A plurality of inventions that are related or similar or both, and which have been made by the same or different inventive entities at the same or different times, may be combined in a single application, subject to such limitations as the Commissioner may prescribe: *Provided*, That no limitation shall be based on the fact that plural inventive entities have joined in one application. No patent claim shall be invalidated because less than all of the inventors named in the application contributed to the invention defined by such claim so long as at least one of the named inventors so contributed. Unless otherwise agreed, applicants joining in one application shall thereby be joint owners of the entire claimed subject matter of the application and any divisions or continuations thereof and any patent or patents issued based on any such applications.

"§ 124. Filing by assignee

"One claiming to be the assignee of the inventor may file a patent application in-

stead of the inventor: *Provided*, That such assignee names the inventor in the application and the inventor makes the oath required as in the case of an application by the inventor or the assignee makes an oath on information and belief as to the fact of invention by such inventor: *And provided further*, That the assignee shall present prior to the issue of any patent thereon sufficient evidence to make a prima facie showing of legal or equitable ownership of the subject matter claimed in the application, and in the case of an invention made outside of the United States such evidence of such ownership of a corresponding foreign patent application may be accepted in place of such evidence relative to the United States application.

"§ 136. Order of examination of applications

"As near as may be possible consistent with the orderly operation of the Patent Office, each patent application shall be taken up for initial examination and for reexamination in the order of the earliest alleged effective United States filing date of any claim contained therein. Applicants shall identify such date for each claim presented; but the entire application shall be examined according to the earliest date for any claim.

"§ 155. Issue pending appeal

"Whenever an applicant shall have appealed to the Board of Appeals he shall be required promptly to correct all informalities in his application, whereupon a notice of allowance shall be given or mailed to the applicant. Proceedings thereafter shall be the same as in the case of an ordinary notice of allowance except that the rejected claims that have been appealed will be included, along with any claims considered allowable, and so identified, in the issue patent, but such rejected claims will be ineffective unless and until held allowable by the Board of Appeals or in subsequent proceedings.

"§ 156. Issue pending interference

"Regardless of whether interference proceedings are in progress, ex parte prosecution of all the interfering applications shall continue through and including final action, allowance and issue, and other proceedings, as the case may require, the same as absent such interference, except that claims which are the subject of pending interference proceedings or whose allowability is held to depend upon winning such pending interference, shall be conditional claims and treated in the manner hereinafter provided. Interfering applications and patents shall not be references against each other with respect to conditional claims during ex parte prosecution until such interference is resolved. Ex parte proceedings in connection with such conditional claims shall be the same as for other claims, except that the conditional claims shall be so identified and will be ineffective unless and until the patentee's priority has been established in an interference.

"§ 157. Term of activated claims

"The term of any rejected or conditional claim activated into effectiveness as provided in section 155 or section 156 hereof shall begin at the date of such activation and expire ten years from the date of activation or on the same date as would an ordinary claim if one is or were contained in the patent, whichever is the later.

"§ 158. Issue of dedicated applications

"Whenever during the pendency of an application the owner of the entire right, title, and interest shall file a dedication to the public of all the subject matter claimed therein, the owner shall be required promptly to correct all informalities in the application whereupon a notice of allowance shall be given or mailed to the applicant. Proceedings thereafter shall be the same as in the case of an ordinary notice of allowance except that conspicuous notation shall

appear on the patent that the claims have been so dedicated. If the dedication is filed prior to the first examination of the application, the issue fee shall be reduced by the amount of the filing fee already paid. Owners of applications which have been dedicated and of the patents issued on such applications shall have the same rights of interference as other persons as to claims found allowable in other applications but claims won in interference by such dedicating owners shall likewise become dedicated to the public. The dedication by an owner of his own claimed subject matter shall not affect the rights of other claimants to such subject matter."

"§ 159. Issue to first applicant

"Notwithstanding the provision of Section 156, conditional claims in a patent based on the first application disclosing the subject matter of such conditional claims shall be conditional only to the extent of being subject to cancellation pursuant to section 135 and shall have the same term and immediate effectiveness as ordinary patent claims."

SEC. 2. This amendment shall take effect ninety days after enactment but shall not affect appeals already pending.

MOUNT CARBON DAM

Mr. DOMINICK, Mr. President, on behalf of myself and my senior colleague from Colorado [Mr. ALLOTT], I am introducing a bill to authorize the Mount Carbon project for flood protection and other purposes on Bear Creek in Colorado. Under the provisions of this bill the Secretary of the Army, acting through the Chief of Engineers, would be authorized to prosecute the project on Bear Creek substantially in accordance with the recommendations of the Board of Engineers for Rivers and Harbors in its report dated April 14, 1967. A companion measure to this bill is being introduced today in the House of Representatives by Congressmen BROTZMAN and ROGERS.

Mr. President, Bear Creek is a tributary of the South Platte River and has its confluence with the South Platte within the area comprising the southwestern portion of Metropolitan Denver.

You may recall, Mr. President, that in June 1965, another upstream tributary of the South Platte River, Plum Creek, dumped an unprecedented volume of water into the river just above Denver. Extensive flooding followed and resulted in the loss of 13 lives and damage of over \$500 million. As a consequence, plans for the construction of Chatfield Dam were reactivated and initial construction will soon be underway. But even with the construction of Chatfield Dam and the existing Cherry Creek Dam on another upstream tributary over 30 percent of the entire drainage area above the downstream limits of Metropolitan Denver remains uncontrolled.

Mr. President, Bear Creek has already been the subject of extensive study by all affected agencies of the Federal Government due to the intense local concern of citizens of the Denver metropolitan area to avoid further destruction due to flooding. This creek has unique characteristics which has made it one of the most dangerous tributaries within the State of Colorado.

Ninety percent of the tributary basin lies in the rugged mountainous terrain above Denver. In the course of approxi-

mately 34 miles Bear Creek falls over 8,500 feet onto the rich alluvial plains outside Denver. In some areas the creek plummets 500 feet per mile. Before its confluence with the South Platte River it flows through a residential and commercial area which has experienced rapid development marked by increased capital and personal investment by the citizens of my State.

Mr. President, this tributary has a calamitous history of flooding. Twenty-two torrents of water have raged through the basin taking the lives of 45 Coloradans. Certainly the people of Colorado do not need another flood to convince them that now is the time to shackle Bear Creek. "Tame the Bear" has been the local banner of the citizens who have tried through personal endeavor to enlist the efforts of the Federal Government to provide adequate flood protection as soon as possible.

I had the good fortune to be able to be at the first public meeting concerning the Mount Carbon Dam with the residents of the Bear Creek area. Since that time, I have attended a series of meetings with the Corps of Engineers in Denver. I have yet to receive any objections to the project from any of the citizens living in the vicinity.

Mr. President, the passage of this bill will insure these citizens a measure of safety which has long been a source of great anxiety. It will also reflect the concern of Congress that the people of Colorado be afforded every measure of protection we can provide. I should like to point out also, Mr. President, that although the primary purpose of the Mount Carbon project is flood control, the proposed dam would be a multipurpose project, since provision has been made for general recreation, fish and wildlife activities.

Mr. President, my colleague and I are convinced that there is a sense of urgency about the construction of Mount Carbon. This sense of urgency compels us to exert every effort toward the final completion of this vital project for the citizens of our great State.

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

The bill (S. 2169) to authorize the Mount Carbon project for flood protection and other purposes on the Bear Creek in Colorado, introduced by Mr. DOMINICK (for himself and Mr. ALLOTT), was received, read twice by its title, and referred to the Committee on Public Works.

COMPUTATION OF MILITARY RETIREMENT PAY ON THE BASIS OF ACTIVE DUTY PAY RATES

Mr. TOWER. Mr. President, I introduce today a bill providing for the computation of military retirement pay on the basis of active duty pay rates. This bill is essentially the same bill I asked be reprinted in the RECORD on May 25. Inadvertently, the bill was accorded a number and printed. The legislation is being introduced today for myself and 22 other Senators who are sponsoring the legislation with me.

In 1963 by enactment of the Uniformed Service Pay Act of 1963—76 Statute 456—the Congress provided for an automatic adjustment in the retired pay of former members of the Armed Forces to reflect changes which occur in the cost of living. This was done by providing that when the Consumer Price Index went up by as much as 3 percent, the retired or retainer pay of retired military personnel would be increased by that amount. Such adjustments were at first made on an annual basis but the law was subsequently amended to provide for adjustments on a quarterly basis.

The legislation I introduced today would repeal the provisions of the law providing for adjustments in retired and retainer pay as just described and would provide by law that retired military personnel—with a few exceptions—would have their retired or retainer pay recomputed to reflect increases in the basic pay of persons serving on active duty. In other words, whenever the basic pay of active military personnel is increased, the retired or retainer pay of a retired member would be recomputed on the basis of the new pay rate for the grade in which he was serving at the time of his retirement instead of being computed on the basis of the pay rate of the grade in which he was serving at the time of his retirement, as is now the case.

Section 4 of the bill provides that no change would be made by the bill in the pay and allowances currently being paid to five-star officers. These officers are, by law, considered to be on active duty at all times. That section would also provide that no change would be made in the pay and allowances of certain four-star officers whose pay and allowances are prescribed by special acts of Congress.

The bill, if enacted, would become effective on the first day of the first calendar month beginning after enactment.

Mr. President, a number of Senators have inquired concerning the cost of recomputation.

Accordingly, I wrote to the Department of Defense and requested an estimate of the cost and an estimate of the number of retirees who would be affected under this legislation.

The Department furnished me with a table which contains this information. I ask that the table, entitled "Projected Number of Military Personnel Receiving Retired Pay and Annual Disbursements, Including Recomputation," be printed at this point in the RECORD so that Senators may have this information.

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

The bill (S. 2170) to amend title 10, United States Code, to equalize the retirement pay of members of the uniformed services of equal rank and years of service, and for other purposes, introduced by Mr. TOWER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Armed Services.

The table, presented by Mr. TOWER, is as follows:

DEPARTMENT OF DEFENSE—PROJECTED NUMBER OF MILITARY PERSONNEL RECEIVING RETIRED PAY AND ANNUAL DISBURSEMENTS, INCLUDING RECOMPUTATION

[Disbursements in millions of dollars]

| Fiscal year | Number receiving retired pay (thousands) ¹ | Assuming no future pay or price increases | | | | Assuming future pay and price increases ⁴ | | | |
|-------------|---|---|-------------------------|-------------------------|-------------------------|--|-------------------------|-------------------------|-------------------------|
| | | Present law | With recomputation for— | | | Present law | With recomputation for— | | |
| | | | All persons | Category A ² | Category B ³ | | All persons | Category A ² | Category B ³ |
| 1967 | 567 | \$1,780 | \$2,061 | \$1,188 | \$1,829 | \$1,780 | \$2,127 | \$1,948 | \$1,888 |
| 1970 | 722 | 2,291 | 2,556 | 2,393 | 2,337 | 2,500 | 2,925 | 2,704 | 2,630 |
| 1975 | 949 | 2,936 | 3,171 | 3,206 | 2,977 | 3,603 | 4,309 | 3,942 | 3,818 |
| 1980 | 1,151 | 3,589 | 3,790 | 3,666 | 3,624 | 4,996 | 6,117 | 5,534 | 5,338 |
| 1985 | 1,327 | 4,160 | 4,324 | 4,223 | 4,189 | 6,616 | 8,289 | 7,418 | 7,127 |
| 1990 | 1,472 | 4,640 | 4,767 | 4,689 | 4,662 | 8,485 | 10,853 | 9,621 | 9,208 |
| 1995 | 1,585 | 5,023 | 5,114 | 5,058 | 5,039 | 10,621 | 13,828 | 12,159 | 11,600 |
| 2000 | 1,665 | 5,305 | 5,364 | 5,328 | 5,315 | 13,052 | 17,227 | 15,055 | 14,326 |
| 2005 | 1,716 | 5,496 | 5,530 | 5,509 | 5,502 | 15,819 | 20,998 | 18,303 | 17,400 |
| 2010 | 1,744 | 5,610 | 5,626 | 5,616 | 5,613 | 18,958 | 25,067 | 21,888 | 20,823 |
| 2015 | 1,757 | 5,670 | 5,676 | 5,672 | 5,671 | 22,520 | 29,451 | 25,844 | 24,636 |
| 2020 | 1,762 | 5,697 | 5,699 | 5,698 | 5,697 | 26,554 | 34,176 | 30,210 | 28,880 |
| 2025 | 1,764 | 5,708 | 5,708 | 5,708 | 5,708 | 31,109 | 39,262 | 35,020 | 33,598 |
| 2030 | 1,765 | 5,710 | 5,710 | 5,710 | 5,710 | 36,212 | 44,709 | 40,288 | 38,806 |
| 2035 | 1,765 | 5,712 | 5,712 | 5,712 | 5,712 | 41,878 | 50,525 | 46,026 | 44,517 |
| 2040 | 1,765 | 5,712 | 5,712 | 5,712 | 5,712 | 48,102 | 56,643 | 52,199 | 50,709 |

¹ Number of persons receiving retired pay at the end of the fiscal year.² Category A consists of all personnel retired for disability, all nondisability retirements with 30 years of service, and all mandatory retirements with less than 30 years of service.³ Category B consists of all persons retired with 30 years of service and all mandatory retirements with less than 30 years of service.⁴ Pay rates are assumed to increase by 3.2 percent in fiscal year 1967, then by 3½ percent annually to the year 2000, and then to increase at a rate declining to 2¼ percent in 2040. The price index is assumed to increase by 1½ percent annually to the year 2000 and then to increase at a rate declining to 0 in 2040. However, the retired pay of personnel already retired is assumed to increase at the 1½ percent rate beyond the year 2000 to avoid increasing the disparity between the average active and retired pay.

Note: Projections this far into the future can be accomplished only at the expense of a certain amount of rigidity in the technique. The effect of a number of relatively small factors is necessarily omitted. Consequently the results should be taken only as indicative of a general trend.

JOINT COMMITTEE TO INVESTIGATE CIVIL DISORDERS

Mr. DIRKSEN. Mr. President, out of order, I submit a Senate concurrent resolution—a concurrent resolution has also been introduced in the House today—to create a joint committee to investigate every aspect and facet of the present civil disorders in the United States, and I ask for its appropriate reference.

The PRESIDING OFFICER. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 34) was referred to the Committee on the Judiciary, as follows:

S. CON. RES. 34

Whereas the first duty of government is to maintain order and promote domestic tranquility; and

Whereas widespread rioting and violent civil disorder have grown to a national crisis; and have resulted in loss of life and untold property damage in city after city throughout the Nation; and

Whereas riots and violent civil disorder affect the economy of Federal, State, and local governments and disrupt the free flow of interstate and foreign commerce throughout the Nation; and

Whereas the root causes of discontent evidenced in riots and violent civil disorder is of immediate and continuing concern to all Americans; and

Whereas weapons have been procured by the rioters to murder police and firemen in performance of their duty to protect the community; and

Whereas the violence of the few must not be allowed to injure the cause of many; and

Whereas riots and violent civil disorder evidence an open defiance and disrespect for the fundamental American principle of rule by law and pose an increasing threat to the public welfare, social order, and domestic tranquility of the Nation: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring).

ESTABLISHMENT OF COMMITTEE

SECTION 1. There is established a joint congressional committee to investigate riots and violent civil disorder (hereafter in this concurrent resolution referred to as the "joint committee") to be composed of five Members of the Senate appointed by the President of the Senate, two of whom shall be members of the minority party appointed after consultation with the minority leader, and five Members of the House of Representatives appointed by the Speaker, two of whom shall be members of the minority party appointed after consultation with the minority leader.

FUNCTIONS

SEC. 2. The joint committee shall investigate and study—

(1) the elements, causes, and extent of riots and violent civil disorder throughout the Nation;

(2) the adequacy of Federal, State, and local laws to deter and control riots and violent civil disorder;

(3) the adequacy of State and local law enforcement to prevent and control riots and violent civil disorder;

(4) evidence as to the times and places of the occurrence of such civil disorders which may indicate the existence of any conspiracy to incite or provoke such civil disorders and evidence which may indicate that such civil disorders have been or may be organized, instigated, or encouraged by any Communist or other subversive organization;

(5) the effect of riots and violent civil disorder in urban areas;

(6) the effect of riots and violent civil disorder on the economy and commerce of the Nation;

(7) community attitudes in places at which such riots and violent civil disorders have occurred or may occur;

(8) means and measures to prevent, reduce, and control riots and violent civil disorder and render assistance to victims of riots and violent civil disorder;

(9) means and measures to increase respect for law and order throughout the Nation; and

(10) such other factors as the joint com-

mittee may consider material to a determination of the causes and effects of such civil disorders and contribute to the adoption of appropriate measures for the termination of such civil disorders.

In addition, the joint committee may collect and disseminate data and information on riots and other violent civil disorder.

REPORT

SEC. 3. The joint committee shall submit an interim report to each House of Congress as to the results of its investigation and study as soon as possible after the date of approval of this concurrent resolution, and not later than one year after such date shall submit a final report to each House of Congress with respect to its activities, investigations, and studies under this concurrent resolution, together with such recommendations (including specific recommendations for legislation) as it determines appropriate in the light of the investigations and studies conducted under this concurrent resolution.

VACANCIES; SELECTION OF CHAIRMAN AND VICE CHAIRMAN

SEC. 4. Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original selection. The joint committee shall select a chairman and a vice chairman from among its members.

HEARINGS; SUBPENA POWER

SEC. 5. For the purpose of carrying out this concurrent resolution the joint committee, or any subcommittee thereof authorized by the joint committee to hold hearings, is authorized to sit and act at such times and places within the United States, including any Commonwealth or possession thereof, whether either House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpoenas may be issued under the signature of the chairman of the joint committee or any member of the joint committee designated by him, and may be served by any person designated by such chairman or member.

PERSONNEL AND UTILIZATION OF SERVICES OF AGENCIES AND ORGANIZATIONS

SEC. 6. The joint committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants, to procure such printing and binding, and to make such expenditures, as it deems necessary and advisable. The joint committee is authorized to utilize the services, information, and facilities of the departments and establishments of the Government, and also of private research agencies.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. The expenses of the joint committee shall be paid from the contingent fund of the Senate on vouchers signed by the chairman or vice chairman of the joint committee.

Mr. BYRD of West Virginia subsequently said: Mr. President, I ask unanimous consent that the resolution which was introduced by the distinguished minority leader [Mr. DIRKSEN] earlier today, providing for the investigation of riots, be referred to the Committee on Rules and Administration.

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

ADDITIONAL COSPONSORS OF RESOLUTION AND BILLS

Mr. BROOKE. Mr. President, I ask unanimous consent that, at its next printing, the names of the Senator from California [Mr. KUCHEL] and the Senator from New York [Mr. JAVITS] be added as cosponsors of the resolution (S. Res. 146) establishing a Select Committee on Civil Disorder.

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

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from Washington [Mr. MAGNUSON], I ask unanimous consent that, at its next printing, the names of Senators BARTLETT, BREWSTER, CANNON, COTTON, HART, HARTKE, MORTON, MOSS, PASTORE, PROUTY, LAUSCHE, and SCOTT be added as cosponsors of the bill (S. 1003) to amend the Flammable Fabrics Act to increase the protection afforded consumers against injurious flammable fabrics.

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

Mr. BAYH. Mr. President, I ask unanimous consent that, at the next printing of the bill (S. 2131) to authorize the rehabilitation of navigation structures and appurtenant works of the St. Lawrence Seaway, the names of the Senator from Indiana [Mr. HARTKE], and the Senator from New York [Mr. JAVITS] be added as cosponsors.

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

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the name of the Senator from Pennsylvania [Mr. CLARK] be added as a cosponsor of the bill (S. 2122), the Highway Beautification Act of 1967, at its next printing.

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

Mr. HOLLINGS. Mr. President, I ask unanimous consent that, at the next printing of the bill (S. 1796) to impose quotas on the importation of certain textile articles, the names of the Senator from Massachusetts [Mr. KENNEDY], the Senator from South Dakota [Mr. MUNDT], the Senator from Wyoming [Mr. MCGEE], the Senator from North Dakota [Mr. YOUNG], and the Senator from Missouri [Mr. SYMINGTON] be added as cosponsors.

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

Mr. HARRIS. Mr. President, I ask unanimous consent that, at the next printing of the bill (S. 2134) the Rural Job Development Act, the name of the Senator from Michigan [Mr. HART] be added as a cosponsor.

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

NOTICE OF RECEIPT OF NOMINATIONS BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that today the Senate received the following nominations:

Edward M. Korry, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Chile.

Martin J. Hillenbrand, of Illinois, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Hungary.

In accordance with the committee rule, these pending nominations may not be considered prior to the expiration of 6 days of their receipt in the Senate.

THE NEGRO AND THE CIVIL WAR

Mr. ERVIN. Mr. President, on April 21, 1966, Col. John R. Hood, Jr., USAF, retired, a native of North Carolina and a descendant of the fighting Confederate Gen. John Bell Hood, made an address entitled "The Negro and the Civil War" before the Civil War Round Table of Southern California at Los Angeles.

Since this address manifests much historical research in a phase of the Civil War with which the country at large has little acquaintance, it merits wide dissemination. For this reason, I ask unanimous consent that it be printed in the body of the CONGRESSIONAL RECORD.

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

THE NEGRO AND THE CIVIL WAR

(A talk given before the Civil War Round Table of Southern California, April 21, 1966, by Col. John R. Hood, Jr., USAF)

In order for us to consider the subject of the Negro and the Civil War in its proper perspective, let us review together some of the history of this country and slavery, and the events that led up to our Civil War.

Horace Greeley once said that slavery was older than any religion in the world, and he was correct. Slavery dates back to before the recorded history of mankind, and probably came into existence when man first discovered that he could obtain a more lasting material benefit by making his conquered enemy a slave to work for him than he could get from the fleeting satisfaction of killing him. Slavery was in existence before Biblical times, and continued through the Greek and Roman Empires, in Arabia, North Africa, and elsewhere. Later in Africa, it is interesting to note that it was not the white man who rounded up the slaves to be sold to America, but the Africans themselves.

Slavery through the ages was not all on the negative side. Children, without parents to look after them, went to the family of the head tribesman, or chief of a caravan, where they were able to obtain food, clothing, and security, and in turn worked for their masters. Likewise, old people, with no one to provide for them, sought some tie with a family or tribal chief and willingly became "slaves" to their masters and did not seem to mind being "owned" by them.

The "master" or owner of slaves had a considerable responsibility. The "master" had to care for his slaves at all times; when the slave was young, when sick, and when the slave was too old to work. The "master" had to feed him, clothe him, provide him shelter, to minister to all his basic needs, and in short, to treat him almost as a member of the family. The "master" had the responsibility to teach the slave his religion, a skill; how to work, how to care for himself, and maybe teach the slave Christianity, if he was a Christian. Most Southern slave holders did this.

The first slave was brought to this country about 250 years before the Civil War started. Remember, slaves were brought here

in chains against their will, in slave ships. These ships generally were owned and sailed by people of the New England and the other Northern States. They found that slave trading was indeed a very profitable undertaking, but later realized that slavery in the North, as it existed during the Revolutionary War, was unprofitable and as a result, most of them sold all their slaves to the South. It is interesting to note that all the thrifty New Englanders did not free their slaves, which would have been the same as giving something (property) away, but that most of the New Englanders sold their slaves for as high a profit as the market would bear.

This imported African slave was put to work clearing our forests to make fields for plowing and for growing crops; digging canals and ditches to drain our swamps. He helped to build roads, plantation homes, and our railroads. He helped build our cities. His efforts contributed to America's wealth. His women looked after the white man's children, nursed them and did the dirty work; washing and cleaning, and they took care of the master when the master was sick. He gave us his music; the Negro spiritual, Dixieland jazz; and the banjo. His children provided playmates to the master's children as they grew up together. The Negro contributed a lot to America's culture, and today we are much better off because of him.

When this country finally came to the point of declaring its independence from England, and our forefathers wrote our Declaration of Independence, all of the 13 colonies had slaves, and slavery was not referred to in our Constitution in any moral manner. The Constitution did provide that slaves would be counted on a 3/5 basis of the population in determining the number of representatives to the House of Representatives in Congress. It also stated that "All men are created equal." There were men then in the North and South, who believed that all men are created equal, but some men are more equal than others.

Later, Southerners argued that since our founding fathers did not condemn slavery in our Constitution, they must have approved of it and expected it to grow and be extended into all states which might later come into the Union. However, a look into the background of the writing and framing of this document will reveal that slavery was the subject of a lot of argument between the representatives of the New England states and the representatives of the Southern states. They finally agreed not to refer to it in our Constitution, as the Northern states believed that slavery would eventually die of its own accord, even in the South, as it was doing in the North. They later agreed that the importation of slaves would be prohibited by 1807, and legally it was stopped. In spite of this, many slave ships continued to bring in slaves to the South. The ban on importation of slaves caused the price and value of slaves to increase, and created an inducement to breed more of them here in our country.

This was the situation up until about 1860, just before the Civil War started. The point I want to emphasize here is that nobody then living in America was responsible for bringing slavery to this country or starting it. They found it a going thing, accepted it, and in the South, realized they needed slavery to keep their way of life going as they found it. The Southerners needed the slave labor to produce the cotton and other crops on their vast plantations and land holdings.

Actually, not a majority, but a minority of the Southerners were large land owners and slave owners. Many other Southerners, who could not afford to buy land in the East, went west into Tennessee, Kentucky, West Virginia; into regions where the hills precluded the making of large plantable fields. They set about farming small clear-

ings themselves. Most of them did not have enough money to buy a slave, which sold for about \$400 to over \$1,000. They had found that there was no land for sale in small lots in the flat farming areas in the eastern parts of the South. Many of these settlers later moved further west; from Kentucky and Tennessee into Southern Ohio, Indiana, Illinois, etc., and from Texas into the southern parts of New Mexico and California.

Later, in the Confederate Army, a very large number of the soldiers were from families of this type, but not all of them. This gave rise to the saying that—"It was a rich man's war, but a poor man's fight." On the other hand, many examples can be cited of very wealthy and socially prominent men going into the Confederate Army as privates from such cities as Charleston, New Orleans, etc., with their slaves as body servants. Some of these men felt they were above their officers socially, and refused to say "sir" to them.

A fairly large number of Southerners took their body servants to war with them to serve as servants, cooks, and to help them with their work. One colored Negro mammy sent her young son, who had grown up as a playmate with the son of their "master", off to war with him. The mammy loved both of them very much, and when they left, the white boy as a soldier, and his colored namesake as a servant, the mammy told her son "to look after him; to take care of him" and "don't you let anything happen to him—and don't you dare return home without him!" They finally did return, together.

From about 1820 to 1860 our statesmen argued and debated about what to do about slavery in the new territories coming into the Union. During the early part of this period, the Southern slave-holding states had a majority in Congress and could pretty well make their desires the law of the land. In 1820 these arguments produced the Missouri Compromise which allowed Missouri to come into the Union as a slave state, but which prohibited slavery above the 36° 30' parallel. If you will look at your map, you will see that this line extended west to the Pacific Ocean included Southern California, New Mexico, etc.

In the 1840's, we had a war with Mexico. Lincoln had just won a seat in Congress. He felt that the war was all wrong and was being pushed by the Southerners in Congress to get more land so that slavery could be extended into Mexico, and even Cuba. Lincoln voted for funds to support our soldiers, but he was very critical of the administration for pursuing the war with Mexico. Incidentally, this war provided an opportunity where men who would later become famous in our Civil War could obtain some experience in real warfare. Some examples are: Col. Robert E. Lee, Lt. Thomas Jackson, Lt. U.S. Grant, Maj. Braxton Bragg, and George McClellan. Lt. William Tecumseh Sherman was doing duty at that time in California and hating it.

In 1854, the Nebraska-Kansas Act, after much debate, was passed by Congress. This Act allowed the people of that territory to establish slavery if they so decided. Notice this area is much north of the 36th parallel. Also after this time (in 1856), the United States Supreme Court handed down the Dred Scott Decision. The Court decided that even a slave freed by his owner could not become a citizen of the United States with the right to move from state to state, enjoying all the rights which white men enjoyed.

Gold was discovered at Sutter's Mill near Sacramento, California in 1848. Lt. Sherman personally visited the area and sent a report to the War Department which was used by President Polk to announce this gold discovery. This started the flood of people from all over the United States to the mine fields of California.

California applied for admission into the Union in 1849, but with a provision in their state constitution prohibiting slavery. Since the 36th parallel left a large part of Southern California available for slavery, the Southerners in Congress were able to turn down California's bid for admission. However, Congress later worked out an arrangement whereby the Fugitive Slave Law was made more effective; and Utah and New Mexico could come into the Union as slave states or free states, as the people there so chose; and slave trading would be abolished in the District of Columbia. So things were settled for the time being, with California coming into the Union on 9 September 1850 as a free state.

Lincoln's view of slavery was quite clear. Earlier, on a flatboat trip down the Mississippi River to New Orleans, he had seen slavery firsthand and had developed a revulsion to it. He believed it morally wrong and he never changed his personal opinion.

In the 1850's, there occurred the famous Lincoln-Douglas debates. In his famous "house divided" speech, Lincoln aroused the South with his statement that this country could not go on half slave and half free. The Southerners took this to mean (since Lincoln was known to be against slavery and the extension of slavery) that he would make the "house" free. Later, when Lincoln was elected President, and the Southern states started leaving the Union, beginning with South Carolina in December, 1860, Lincoln very carefully pointed out to the South that: "You think slavery is right and ought to be extended; while we think it is wrong and ought to be restricted. That, I suppose, is the rub. It certainly is the only substantial difference between us." He tried to make it clear that he did not intend to upset the "peculiar institution"—not to touch it—but he wanted it to remain where it was and not be extended to other states. As a lawyer, Lincoln realized that slaves in the South were considered legally as property, valued at about four billion dollars, and as a practical matter, he could not ask the people of the South to voluntarily abolish this four billion dollars worth of property.

By 1860, the South's majority in the United States Congress had changed. They were in the minority, and they feared the worst. However, in the North, a free Negro could only vote in the state of Maine. In almost all of the other northern states, he could not hold any public office, serve on a jury, or testify in court against a white man. In most northern states, there was a prohibition against any Negro who had been a slave or who was a descendant of a slave, from becoming a citizen. In short, he was not accepted as a fellow-man in the North. A lot of working people in northern states worried about the southern Negro becoming free and moving in to take over manual labor jobs at lower pay and putting them out of work.

Even as late as 1862, Illinois, Lincoln's home state, while Lincoln was President, passed a law prohibiting a Negro from settling there. The Negroes so accused and convicted were fined and sold to the highest bidder as slaves, to pay the fines and cost. Shortly afterwards however, the state repealed the law. It seems that it was tough to be a colored man at that time, North or South!

Let me digress again. About 35 miles southeast of Cincinnati, Ohio, up the Ohio River, east of the place where General Grant was born, there is a small town named Ripley, Ohio. It is on a hilly place, and overlooks the Ohio River. Here occurred an event in one of the winters before the Civil War, of the trials of an escaped slave from Kentucky crossing the river on ice floes. In the town of Ripley, on top of a hill, lived a Presbyterian minister, John Rankin, and the Rankin house remains today, preserved by the Ohio Historical Society, of which I am a member. Rankin's home was one of the first stops on the un-

derground railroad for escaped slaves. From his windows, signals were flashed by lamps to those who were watching from the Kentucky side of the river. Harriet Beecher Stowe, whose father was also a Presbyterian minister and an abolitionist, accompanied her father on a visit to the Rankins and heard the story of this escaped slave. The result was "Uncle Tom's Cabin," a book that had a tremendous impact on the northern people and their attitude toward slavery.

Now we come to that affair at Harpers Ferry. John "Ossawatimie" Brown, after a turbulent career in Missouri, showed up in Virginia with two of his sons and a few misguided Negroes, plus a wagon load of crude weapons. He hoped he could persuade the slaves in Virginia and the rest of the South to rise up in insurrection against their masters and start a slave revolt against their bondage. The slaves did not rise up and do this horrible thing. Many slaves knew that such a move was wrong. These black people had had a foreign religion foisted upon them, and they, by and large, had become Christians. Then, as well as during the war and after, they had obtained their freedom, they never sought revenge against anyone who had wronged them.

Col. Robert E. Lee was sent from Washington in command of a handful of U.S. Marines; enough, however, to put this insurrection down. Lt. J. E. B. Stewart was in Washington at that time trying to get the government to adopt a new saber carrier he had devised when all of this happened and went along on the train with Lee, his old Superintendent at West Point, and the Marines, and was active in capturing John Brown and his men at the engine house.

The spot is well-marked at Charlestown, West Virginia, where they hung John Brown, but not, I think, from a sour apple tree. I have stood on that spot and looked over the fields of West Virginia to the ring of the distant hills on the horizon as Brown must have looked at them. They have not changed. And I tried to wonder what he was thinking about at that moment. Maybe he knew his soul would go marching on. In any event, it did.

A few more names which later became famous were involved here. Thomas Jonathan Jackson, an odd-ball professor at the Virginia Military Institute, had his corps of cadets drawn up into a square with a couple of cannons present at the hanging. Threats had been made that balloons from the Midwest would land there with people determined to free John Brown.

Also present in a Virginia State Militia organization was a short-term Confederate soldier by the name of John Wilkes Booth who observed the hanging. His zeal for the Army and the hanging must have vanished thereafter, as he soon became a civilian again. This was apparently enough soldiering for him. He later claimed that as a Confederate soldier, he had been wounded by a bullet in his neck and that a doctor had removed the bullet. A doctor did lance a boil on the back of his neck, which left a scar. That doctor later was called upon to identify Booth when he was dead and lying on a monitor on the Potomac in Washington. At another time Booth did get a pistol shot in the rear while horsing around with a fellow actor and a gun in Montgomery, Alabama. Too bad his headquarters were not where his headquarters were. But the significant point to make from all of this Harpers Ferry affair is that the Negro just did not arise against his owner.

Jackson was teaching a Sunday school class of Negro children during this period. However, it was illegal in the South at that time to teach a Negro slave to read or write.

The firing upon Fort Sumter on 12 April 1861 was the start of the War. Men, both North and South, knew a real war was coming and the patriotic fever was high. They started drilling and enlisting and hoped the

war would not end before they had a chance to fight. In the North, the free Negro men reacted the same. Many colored organizations, church groups, lodges, etc., formed companies and started drilling and offered their services to the United States Government. They were turned down cold. No Negro units or individual soldiers were accepted or desired. This situation existed in spite of the pleadings of such men as Horace Greeley and Frederick Douglas, a leading Negro statesman.

So the Civil War started. With a white population in the nation of about 26,000,000 and a population of 3,953,000 slaves, all in the South, both sides put a formidable army in the field.

And a fair question may now be asked, "What was the Civil War fought about?" or "What did they go to war over?" The North said, "To save the Union." The South said, "To preserve the Constitution and States Rights." The South believed in the basic democratic idea that the Government derived its power to govern by the consent given it by those governed, the people; and when those people so governed chose not to be so governed, they could as freely withdraw that right. In other words, a State could withdraw from a union it had helped to form whenever it believed it was the best thing to do. The Southern states firmly believed the Constitution guaranteed them this right and so they believed they were within their constitutional rights by seceding. This was the so-called "States rights" they were fighting for.

I recently looked up the history of the 51st North Carolina Regiment to see what they had written about one battle, and the old fellow who wrote this regimental history in 1890 started off by presenting a long argument about what they were fighting over, "States and Constitutional rights, not slavery," which he made clear.

The Civil War was fought over many things. Was it fought over slavery? Many Northern boys did not enlist to abolish slavery. Most of Lee's soldiers never owned a slave, as General Lee himself did not own one. He said he drew his sword only in defense of his native state, Virginia, and not in defense of slavery. However, I think that if slavery had not existed in this country, the Civil War would never have occurred. Carl Sandburg, the famous Lincoln biographer, said the Civil War was fought over one word. He said that before the Civil War, all U.S. treaties with other countries contained the phrase: "The United States are," and after the Civil War this phrase was changed to "The United States is"—it is still so.

What was it really fought over? Why did it have to happen? Was it necessary? From the beginning of the establishment of our Union by the original 13 colonies, or states, after winning their independence from England, that Union was based upon the central idea that the *people* could decide what was best for them. The idea that a government by the *people* was then a novel one, untried before in the history of man in the long struggle of mankind for freedom.

England, after losing the Revolutionary War with the colonies, one of the very few wars she ever lost, to this day is reluctant to admit that it happened. (History books that English children study do not devote much time and space to this affair in England's history.) England felt then that such an idea was preposterous: that the *people* could determine their own form of government and elect its leaders. England believed that sooner or later the whole thing would collapse by the very absurdity of the idea. The coming and start of the Civil War appeared to bear out England's dire prediction. As a result, England found itself in sympathy with the South, which was apparently bent upon destroying the "Union" and

proving England's point. Also, England's textile mills depended upon the cotton fields of the South. However, always looking out for herself, England also foresaw what might happen and starting stockpiling cotton several years before the Civil War began so that she would not be forced to pay a high price for it.

The border states of Missouri, Kansas, Kentucky, Tennessee, Maryland, Delaware, found it profitable to hold some slaves and reproduce Negroes and sell them to the cotton states at a high profit. Remember "My Darling Nelly Gray"? These states vigorously opposed the re-opening of the African slave trade, as this would lower the price and value of a slave. All in all, it seems that most men's actions and reactions, both North and South, to everything involving slavery and affecting it, was a direct result of the impact upon their pocketbooks and not upon their moral conscience of the right or wrong of it. Slave trader ships had never been run by Southerners but this had been a prime endeavor of the sea captains sailing from New Bedford and all the other New England ports as long as this could be done. A Southerner later summed up some of this when on 22 December 1886, before the New England Society of New York City, Mr. Henry Wm. Grady, Managing Editor of the *Atlanta Constitution* of Atlanta, Georgia, said, (with General William Tecumseh Sherman in the audience) "—and that the chattel in human flesh ended forever in New England when your fathers—not to be blamed for parting with what did not pay—sold their slaves to our fathers—not to be praised for knowing a paying thing when they saw it." Later, I will again refer to his talk.

Through all of these mental gyrations of men both North and South, the one thing that was crystal clear to the Negro, both North and South, was that the war was going to have a tremendous impact upon the status of the slave. The Negro knew instinctively what it was all about; it was about the slaves' freedom. And it seems all Negroes sensed this and did their best to help with this cause in the face of discouragement, turndowns, frustrations, outright rejections, etc. They all kept trying to help the Union and refused to lose faith.

Lincoln was personally opposed to slavery as he felt it was morally wrong. He said then and later that—as he would not choose to be a slave, he could not choose to be a master. Later, he said that if the color of a man's skin determined whether he was to be a slave, then: "Look out for the man whose skin was lighter than yours, or you would wind up being his slave." Or on the basis of intelligence: "If you had a right to enslave a person not as smart as you, then look out for the man who was more intelligent than you, for on this basis, he had a right to make you his slave."

All during the war from the beginning to the end, Lincoln worried over what to do with the freed Negro. He often stated that he did not feel that the Negro and the white could even become socially equal. He thought the best thing to do would be to return the Negro to his native Africa, and proposed many schemes and legislations to Congress to do this. Nothing much was ever done along these lines. His idea of "colonization" resulted in some effort on the part of some Negroes to return to Africa, but on the whole, it did not seem to work. One Negro delegation called upon Lincoln in the White House, and when Lincoln brought up his idea of colonization they stated it just would not work; that if the Negro failed to obtain recognition as a human being in America, he would never obtain it anywhere else in the world. The American Negro would stay in America, his native land, and work to achieve this recognition.

Earlier, during President Monroe's administration, a group of Americans helped the American Negro establish Liberia in North

Africa. The name honors "liberty." They named the capitol Monrovia, after President Monroe. Also, the present town of Freetown was established in Sierra Leone by returned freed slaves, to honor their freedom. The present President of Liberia, Mr. Tubman, is a graduate of a small college in Pennsylvania and is the grandson of a freed slave from Georgia. And talk about discrimination—the descendants in Africa of the returned slaves from America consider themselves better than the native African. There must be something about being an American, or a descendant of one, that makes one feel that he is better than anyone else on the face of the earth.

On many occasions during the war, Lincoln proposed to Congress, and to the Southern States that Congress appropriate the money to buy the slaves from their owners and set them free. Congress later actually passed such a resolution. Lincoln urged the slaveholders to agree with this, that is, to decide and agree *now* to free their slaves, although they would have until 1900 to actually free them, but could receive pay for their slaves now. Even until three months before the Civil War ended, Lincoln still held out to the Southern States his offer to pay them for their slaves if they would only free them and cease fighting against the Union and return to the Union. He reasoned that the war was costing one-half to one million dollars a day to fight, and if he could bring it to an end sooner, it would be as cheap to buy off all the slaves and save many soldiers' lives. He especially appealed to Maryland. No slave states accepted the offer and as a result, they lost both their slaves and the potential money when the Federal armies finally defeated the Southern armies.

I still have my great-grandfather McNeil's account book, listing the names of his slaves, their children, and their birthdays and deaths. The list contains about 100 names. They are listed only by their first name, for as slaves, they had no family or last name. There are such listing as: John, son of Delta. After the war, most of the freed slaves adopted the family name of their owners. As a result, I have many colored "relatives" by the name of McNeil in North Carolina. But, the point I want to make here is that my great-grandfather, Colonel Archibald A. McNeil, in leaving his list of slaves with my grandmother, told her to keep and save this list, as he was sure the United States Government would eventually reimburse the slave owners for the valuable property they were deprived of. We are still following his advice and have the list available but are about convinced that the old man was doing a lot of wishful thinking.

Now, back to the earlier days of the war and a look at how both North and South used the Negro in the conflict. In the South he was used by some soldiers as a personal servant, by some companies as a cook, and by the engineers as a laborer in building fortifications. I have a receipt for some of my great-grandfather's slaves who were used in working on the defenses for Wilmington, North Carolina. Both the North and South used them as teamsters. About one hundred thousand served the Northern armies as teamsters.

In 1861 during the Peninsula Campaign, Major General George Brinton McClellan, who was a Democrat, issued special orders to his troops dealing with the Negro. Whenever any runaway slave appeared in a Union Camp, he was to be promptly returned to his owner by the Union soldiers. McClellan also had very strong feelings about protecting the property of Southerners. He forbade his men to use fence rails for their fires and he placed guards around plantation homes, including one belonging to General Lee's folks. These actions did not serve McClellan very well, for later when he was under fire

for his conduct of the war, he was accused of being basically in sympathy with the South, and some went so far as to accuse him of treason. Most of his soldiers did not care for the Negro and surely had not enlisted to fight for their freedom. The average Northern soldier had a distaste for anything pertaining to the Negro. They also resented being used as tools to enforce the Fugitive Slave Law.

Down at Fortress Monroe, in Virginia in early 1861, the General in command at that time was Ben Butler, a lawyer who was later to become known as "Beast Butler". This nickname was acquired as a result of the edicts he issued while in command at New Orleans. Then, as later, Negro slaves appeared at the Union lines seeking freedom. Many showed up at Fortress Monroe and presented General Butler with a very real problem. He realized that they were valuable property, valuable to the South and valuable to the Northern forces as a source of labor. He knew that the Southern armies used the Negro to build defenses, to grow food for the Confederacy, etc., and he was reluctant to return them to the South. He created a new term for these runaway slaves, a name that remains today. He considered them to be "contraband of war," as was other property of the Southerners, and the name "Contraband" was born. Later, escaped slaves showed up in Union camps saying "I'se contraband." Butler kept the slaves and would not return them to their owners.

There is one recorded incident at Fortress Monroe where a Confederate major came forward with a flag of truce and demanded of the Union commander that he return the slaves who had escaped and who belonged to his colonel. He reinforced his demand by citing the Fugitive Slave Law. The Union officer in charge coolly informed the Confederate major that the Fugitive Slave Law applied only to citizens of the United States and if the colonel was prepared to swear allegiance to the United States and prove his citizenship, the commander was prepared to return his property, his slaves. The major left, and that was the end of this incident.

On the 22 September 1861 in Kansas, General John Charles Fremont, the commanding Union officer in that area, issued a proclamation to the effect that all persons in rebellion against the Union would have their property seized, and that their slaves would be freed forever. This gave Lincoln much pain. He was in sympathy with the basic humanitarian idea, but he had to keep Kansas, Missouri, Kentucky, and all the border states in the Union cause. Lincoln asked Fremont to modify his proclamation, and Fremont refused to do this. Thereby, Lincoln himself had to issue a proclamation, nullifying Fremont's statement.

Down in South Carolina, on the 9th of May 1862, Union General David "Black" Hunter, on the islands off Charleston, was having a problem of what to do with all the slaves who were coming to his camp. On that date he issued an order declaring that all slaves in Georgia, Florida, and South Carolina were free. Again, Lincoln had to nullify this order, as at that moment Congress was giving favorable consideration to one of his proposals, that Southern states be given financial assistance if they would agree to gradual abolishment of slavery, and a Congressional Joint Resolution resulted.

In 1862, Lincoln was worried over the way the war was going, and about the Negro. After the disastrous defeat at Bull Run in 1861 and the failure of McClellan's Peninsula Campaign, and the second Union failure at Bull Run (or second Manassas) in 1862, it appears he looked to God for guidance. Lincoln was not thought to be, by some, much of a religious man; he had never joined a church, much to the regret of his wife, Mary, who worried very much about this. However,

he said many things which indicated he had a deep abiding faith in God. At this time it appears he indicated that if the Lord would help him restore our Union, he would free His people. Earlier, at Springfield, Illinois, on February 11, 1861, Lincoln had said in his farewell address to those gathered to see him off to Washington, D.C.: "Without the assistance of the Divine Being, who ever attended him (Washington), I cannot succeed. With that assistance I cannot fail. Trusting in Him, Who can go with me, and remain with you and be everywhere for good, let us confidently hope that all will yet be well."

On 19 August 1862, when things looked very bad for the Union, Horace Greeley, publisher of the *New York Herald Tribune*, took Lincoln to task in an open letter entitled, "The Prayer of Twenty Million," complaining of the way Lincoln was treating slavery in the South and in the border states. Lincoln replied:

"I would save the Union. I would save it the shortest way under the Constitution. The sooner the National authority can be restored, the nearer the Union will be 'the Union it was'! If there be those who would not save the Union, unless they could at the same time save Slavery, I do not agree with them. If there be those who would not save the Union unless at the same time destroy Slavery, I do not agree with them. My paramount object in this struggle is to save the Union, and is not either to save or destroy Slavery. If I could save the Union without freeing any slave, I would do it, and if I could save it by freeing all the slaves, I would do it; and if I could save it by freeing some and leaving others alone, I would also do that. What I do about Slavery, and the colored race, I do because I believe it would help to save the Union. I shall do less whenever I shall believe what I am doing hurts the cause, and do more whenever I shall believe doing more will help the cause. I shall try to correct errors when shown to be errors; and I shall adopt new views so far as they shall appear to be true views."

"I have here stated my purpose according to my view of official duty; and I intend no modification of my oft-expressed personal wish that all men everywhere could be free."

Later he said: "I shall do nothing in malice. What I deal with is too vast for malicious dealings."

Even before answering Greeley, Lincoln was doing something about slavery. One night in the summer of 1862, Lincoln wrote out a draft of The Emancipation Proclamation. Then, after calling a special Cabinet meeting on July 22, 1862, he told his cabinet of his intention to issue the Proclamation and of his conviction that it was the right thing to do, not only as a war measure but right. He said he did not want their advice about whether or not he should do this, as he had already made up his mind, but he wanted their advice on the contents of his Proclamation. All the Cabinet members read it and generally agreed. However, the Secretary of State Seward pointed out that the timing was not right; that after so many military defeats, the world might think this a cry in the wilderness from weakness, from the low ebb of the Union cause. Seward suggested that it be held and issued after a Union victory. Lincoln agreed and thanked Seward for his counsel.

After Second Manassas in September 1862, Lee's grey legions moved into Maryland. At a little town named Sharpsburg, on Antietam Creek, a terrible battle was fought, in which more men were killed in a single day than have ever been killed before or since in any battle on the American continent. At best it was a draw. But really it was a Union victory. While McClellan did not overwhelm him, Lee finally had to withdraw his troops to Virginia. As a result of the battle, on 22 September 1862, exactly a year to the day after Fremont's proclamation in Kansas, Lincoln

issued a preliminary version of his famous Emancipation Proclamation, freeing all slaves forever. As an old Negro I know in North Carolina stated: "With one stroke of the goosequill he freed all slaves forever."

Lincoln did this after calling a special Cabinet meeting that day. When all the Cabinet members were present, Lincoln started off by reading to them a chapter from humorist Artemus Ward's book about "High Handed Outrage at Utica." Lincoln apparently sought a moment of relief in time of trial. Stanton and Secretary of Treasury Chase did not try to hide their disgust. Then Lincoln again read his preliminary Emancipation Proclamation and told them he would issue it.

It was a strange document. It did not free any slaves then. It only held out the promise to free some slaves on the 1st of January 1863; those held by the states in rebellion against the Union. It did not free any slaves in the border states, in the District of Columbia, nor in any area occupied by Federal troops in Louisiana or South Carolina. Special exceptions were made for this. In short, it declared all slaves free next year in those areas where the Union Army was not in control and, as a practical result, the Federal Government could not really enforce it. However, the Negroes knew this was at long last their freedom from bondage.

It was later made official by the Thirteenth Amendment to our Constitution, which was ratified by Congress on December 18, 1865, setting over four million slaves free. "Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction."

The most significant immediate result of the Battle of Antietam and the Emancipation Proclamation, however, was the effect it had on the European powers, particularly England. England had abolished slavery in 1833. The great hope of the South had been that England, desiring cotton and believing that a government "by the people, for the people" could never work, would grant formal recognition to the Confederacy and enter the war on the side of the South and break the blockade. This was Jefferson Davis' key hope. The Emancipation Proclamation changed the whole nature of the conflict, from the political basis of restoring the Union to the moral basis of human freedom. The people of England had no liking for slavery, and while England was seriously considering recognizing the Confederacy before Antietam, the issuance of the Emancipation Proclamation put an end to this matter. After that, the South really never had a chance.

Now let's consider the Negro as a soldier. He possessed many characteristics of a good soldier. These characteristics included loyalty, obedience, and rhythm. He could also fight, being descended from savages. At the time of the Civil War, most people seemed to have overlooked this, and there were no Negro soldiers in the Union Army at the beginning of 1861. However, Negro soldiers fought, bled, and died in the Revolutionary War, helping this nation gain its independence from England. One of the first Americans to die was Crispus Attucks on Kings Street in Boston during the attack upon the British soldiers. It was 5 March 1770. He was a Negro. During the Battle of Bunker Hill, British Major Pitcairn, who had led his troops at Lexington and Concord, was killed by Peter Salem of Colonel Nixon's regiment of the Continental Army. Peter Salem was a Negro. Salem Poor of the Colonel Frye's regiment fought so conspicuously that no less than fourteen officers of General Washington's army called the attention of Congress to his merits for courage and bravery. Salem Poor was a Negro.

During the War of 1812, Negroes served, fought and won with Admiral Perry on Lake

Erie and with Andrew Jackson in New Orleans.

Among the first Americans to die in the Civil War was a cook from Ohio serving with the 7th New York Regiment. He was killed when his regiment was attacked and stoned by a mob when passing through Baltimore on the way to Washington, D.C. in the early part of 1861 to help defend our National Capitol. He was a Negro.

I have already related how at the beginning of the war, Negroes in the North formed companies, organized, and drilled, etc., only to have their offered services refused by the government. However, late in 1862, when things looked pretty bad for the Union, Lincoln finally decided to try using Negro troops, even though he did have doubts about what kind of soldiers they might make. The first official announcement relating to this offered the Negro troops the same pay and allowance being given the white troops.

There is still some debate about which Negro regiment was the first one. In September 1862, General Ben Butler in New Orleans decided to use the freed slaves as troops and formed one regiment, the Louisiana Native Guards, and requested arms and uniforms for three others. However, these additional arms, uniforms, etc., were not furnished and the regiment was never mustered into the Federal service. Some opposition was raised among the Negroes about joining this regiment. The men joining were told by other Negroes that Yankees would use them as mules and they would not be paid. They weren't used as mules, but neither were they ever paid.

At about that same time, October 1862, Union General Saxton, commanding in the Department of the South, formed the First South Carolina Regiment from contraband. This regiment was commanded by Col. Thomas Wentworth Higginson, a white officer who later wrote a book entitled "Army Life in a Black Regiment," a collector's item today. This regiment saw quite a bit of service and gave a good account of itself and resented having its name changed from the "Fust South" to the 33rd United States Colored Troops (USCT) when it was later mustered into Federal service. Also, in the summer of 1862, Colonel James Williams, in Kansas, organized the First Kansas Colored, but this regiment was never formally mustered into the Federal service.

On 26 January 1863, Governor John Andrew of Massachusetts obtained permission from Secretary of War Stanton to organize the first Negro regiment in the Northern states, as Massachusetts was hard pressed to find enough white soldiers to fill her new quota. Since there were not enough free colored men in Massachusetts to form a regiment, Governor Andrew sent several distinguished men, including Frederick Douglas, an outstanding Negro spokesman, to Ohio, Pennsylvania and to other states to make talks and recruit Negro soldiers. The Massachusetts regiment soon had its complement of 1,000 men, and became the 54th Massachusetts Volunteer Infantry. Governor Andrew requested that Capt. Robert Gould Shaw, a member of a very distinguished Boston family, serving then as a Captain in the 2nd Massachusetts Regiment, be promoted to Colonel and placed in command of the regiment. It was done; Shaw was only 25 years old and became known as the "Boy Colonel." He was idealized by his men. All the commissioned officers were white men and the non-coms were Negroes, one being Frederick Douglas' youngest son.

This regiment was somewhat of an experiment. It was the first regiment made up of free Negroes in the North and attracted the attention of many people. It was on the spot, for depending upon how it performed would determine whether any other colored regiments would be raised. These extra troops were badly needed by the Union. The men in

this regiment knew how much depended upon their performance. They excelled in drilling and in presenting a soldierly appearance. Desertion was unknown. They learned the drills faster than the average white recruit. When the regiment marched down the streets of Boston with their band playing and flags flying, to embark upon transports for the South, it presented such a strange and stirring sight that the thousands of people who watched never forgot it as long as they lived. Frederick Douglas was one of the proud spectators. I will have more to say about the 54th Massachusetts Regiment later.

It was because of this regiment that I became keenly interested in the Negro Civil War soldier. One day in 1961, at Wright Patterson Air Force Base, in Dayton, Ohio, my secretary, Mrs. Beverly Day, a wonderful Negro lady and fine secretary, learned of my interest in the Civil War and showed me some old letters she had which had been written to her grandmother when her grandmother was a young girl, by Negro soldiers serving in the 54th and 55th Massachusetts Regiment. I was very impressed. The writings, thoughts, and the lack of hatred toward the rebels made a deep impression upon me. All of these soldiers were from Ripley, Ohio, the site of the inspiration of *Uncle Tom's Cabin*. I had Beverly reproduce these letters. Copies were made and sent to various historical societies, libraries, etc. Another prized possession I have is a book written about Colonel Shaw and the 54th Massachusetts—"A Brave Black Regiment"—given to me by Robert Younger, of Dayton, Ohio. He is a renowned Civil War book collector, an authority on the subject, and a proud descendant of the Younger brothers of the Jesse James era. I am proud to know him.

It is of interest to note that Ohio eventually furnished over 6,000 Negro soldiers who served in the Union Army in addition to over 200 white regiments. Later the 55th Massachusetts Regiment was formed, also a Negro regiment which included many Ohio Negroes. Ohio's first Negro regiment was the 127th Ohio Volunteer Infantry. The next one, the 128th OVI, was a white regiment mustered into service to be the guard force at the Confederate Officer's Prison at Johnson's Island near Sandusky on Lake Erie. The 127th OVI's designation was later changed to the 1st U.S. Colored Troops, which was quite an honor. That is one reason the First South Carolina had to take the 33rd USCT designation later. Eventually, all of the Northern states furnished Negro regiments for the Union Army.

The number of Negro units in the Union Army eventually amounted to 167 organizations, which included 186,097 soldiers, plus over 150,000 teamsters and laborers. These Negroes gave a real meaning to that rousing Civil War song: "We are Coming Father Abraham, 300,000 More."

What kind of soldier was the Negro? He was outstanding in loyalty and obedience. He was proud to be a soldier, and his drill and dress reflected this. He was brave and courageous. He knew he was being watched to see what he could do; that he was being judged. But most of all, he knew what he was fighting for. Negro regiments vied for key positions in attacks and were mostly not given this. They were chaffing to prove they could be good soldiers and men. I have never found any incident where Negro troops panicked or ran when confronted by the enemy. Many white regiments from the North and South panicked or ran when they first encountered the enemy in combat. As a matter of fact, one of the top fighting units in Lee's Army of Northern Virginia, General John Bell Hood's Texas Brigade, panicked one night when an army mule got loose and ran through the camp knocking over pots and pans. The men woke up and bolted through the woods, thinking the Yankees were about to gobble them up. This was

something they kidded each other about and laughed about then and at their later reunions.

Quite a number of non-coms and other officers in white regiments were eager to transfer to Negro regiments so they could get promoted. It appears that the Negro soldier preferred white officers. There are references to incidents where Negro officers were told by their men: "Don't you play the white man over me." However, quite a number of Negroes were commissioned as officers in their regiments and served with distinction.

I read somewhere about an account of a Negro soldier who was wounded at Spotsylvania Court House. He was told to go to the rear for medical attention. Later, he was seen limping along the road to the Union hospital on the Potomac, carrying his haversack, gear, and his musket. It was obvious that he was badly wounded, and the person who saw him felt sorry for him and told him to throw away his heavy rifle and gear so he could walk more easily. He refused to throw anything away, and said that he wanted the folks at the hospital to know that he was a real soldier, wounded in battle, and not some teamster or cook looking for medical treatment. He had a right to be proud of his red badge of courage and he kept his musket beside him in the hospital.

General Grant, as we all know, was somewhat careless about his appearance and his uniform. Very often he wore an enlisted man's coat, without the shoulder straps or his stars. There is an interesting account of an event that occurred on the docks at City Point, Virginia, a supply base for Grant's campaign against Richmond in late 1864 and early 1865. There had been a disastrous explosion of ordnance stores on the docks. Some thought the Confederates had caused it. Anyway, orders were issued that no smoking would be allowed on these docks and these docks were patrolled by Negro soldiers. One day General Grant was sitting on the docks calmly smoking his cigar. He was wearing an enlisted man's uniform. A Negro sentinel walked up to him and told Grant in no uncertain terms to put out his cigar. Grant did so and left. Later the soldier's Sergeant asked the soldier about the incident and whether he knew he had been speaking to General Grant. The soldier was astounded, especially when his Sergeant told him that General Grant wanted the soldier to report to him. Trembling from head to toe and expecting the worst, he presented himself to General Grant at Grant's tent. General Grant asked him his name, complimented him for doing his duty, gave him a promotion, and made him an aide and guard at Grant's headquarters. The soldier remained thereafter with General Grant throughout the war. What a story he had to tell his children and grandchildren in later years!

Of the 29,000 men in the U.S. Navy, one-fourth of them were Negroes. I do not have to explain to you the outstanding role played by the Navy in clamping the Blockade on the Southern ports and literally strangling the Confederacy to death. The outstanding role played by the Navy gunboats on the rivers of our country is a subject worthy of a book itself. The Navy's cooperation with the Army in the river campaigns is something we can all be proud of. General Grant and Admiral Porter developed the groundwork for land-sea cooperation that was a model we followed in World War II in the Pacific. The Navy has never been given the credit it deserves for the contribution it made to saving our Union. Without the U.S. Navy, the Union would have lost the Civil War.

Negro troops participated in 449 battles and skirmishes. Thirty-three thousand Negroes gave their lives for our Union, the Union of our states that you and I and our children enjoy today. Not all of them died in combat. It seems that the Negro soldier was

more susceptible to some diseases than was the white soldier. Measles and smallpox took their great toll. The death rate of the Negro soldier in the hospitals was several times higher than that of the white soldier. The army rations of pork and hardtack were difficult for them to adjust to, especially for the freed slave, who had never left the plantation and was used to eating peanuts, molasses, corn, and cornbread. The Negro soldier fought, bled, and died for something worth dying for.

Major General Lorenzo Thomas was placed in charge of organizing the United States Colored Troops. The organization of 167 units was a result. Whole divisions of colored infantry added their weight to the Union cause. One of these units, known as the African Brigade, was commanded by Brig. General Vogdes and included the 55th Massachusetts, commanded by Col. Norwood P. Hallowell. They played an important role in the siege operations at Charleston, S.C., during the period of August and September 1863. The brigade also included the 1st North Carolina Colored, commanded by Capt. John Wilder.

The 54th Massachusetts Volunteer Infantry was stationed on the islands off Charleston, South Carolina. On Morris Island, the Confederates had built a fortification known as Fort Wagner, or Battery Wagner. This was a formidable place with earthworks and cannons and a moat. It was manned by several Confederate regiments, one being the 51st North Carolina, recruited from the counties near my home. On 11 July 1863, the Union forces attacked this stronghold. Colonel Shaw was given the opportunity by his General to lead this attack with his colored regiment. His men were tired from an all-night and day march. They had had nothing to eat all day; but they jumped at the chance to show the supporting white regiments what they could do. At the appointed time, late in the day, the 54th Massachusetts deployed in a line of battle and with Colonel Shaw leading, they walked to within 100 yards of the Fort; then they charged with their bayonets. The terrain forced them to bunch up on the beach and the Confederate guns cut them down like wheat. They went on, over the moat, over the parapet and breastworks, and into the Confederate defenders, fighting hand-to-hand combat. Colonel Shaw stood upon the parapet, waving his sword, and called upon his men to keep on coming. He was shot down by three Minnie balls. His men came on and fought, killing the rebels left and right and in turn being killed. Some laid against the breastworks, firing at the rebels as fast as they could load. Some fought hand-to-hand in the rooms of the Fort. But their support, the white regiments, fell back from the intense fire from the Fort. It became hopeless for the Negroes. The 54th Massachusetts flag bearer, Sgt. William Carney, carried the U.S. flag over the moat, and over the breastworks, and planted it on the parapet. He was shot in the arm, leg, and one other place, but he laid down on the ground and held the flag up with his hands. Later, when it was obvious that the Negro troops had to fall back, he crawled back, on his hands and knees, still holding the flag aloft. The Massachusetts soldiers cheered him and later he could and did tell them: "The old flag never touched the ground, boys." For this he was one of the first Negro soldiers to receive the Congressional Medal of Honor.

They did not win that battle, but the fault was not theirs, but the failure of the white regiments to support them. They proved to the world that the Negro soldier was a real soldier, willing to give his all for his country.

Many of the 54th Massachusetts Regiment were killed at Fort Wagner. The Confederates stripped Colonel Shaw's body of his personal effects, including his fine watch. Efforts to recover these later failed. The Confederates buried him in a common grave

with his Negro soldiers and bragged about having buried him "with his niggers." There he lies today at his family's insistence. His troops wanted to do something about this. Later, when Fort Wagner was eventually taken by the Union forces, his men subscribed over five thousand dollars to raise a monument for him. On their second thought, they realized that the people of South Carolina might tear down any monument to a Yankee officer after the troops left. So they used the money to establish a school for Negro children in Charleston, South Carolina, naming it the Robert Gould Shaw School. Later the people of Boston did erect a monument to Colonel Shaw and his men on the Boston Common. It stands there today.

The "Swamp Angel" story is really a story within a story. In their desperate attempts to get at Charleston, the birthplace of secession, the Yankees, after occupying the islands off the coast, wanted to place a large gun there which could shell the city. General Gillmore, who was in overall command, gave Colonel Sherrill the job to place such a gun. Colonel Sherrill assigned the task to one of his lieutenants. With the longest range gun available to them, an 8-inch Parrott Rifle, they had to cross a swampy area to their front to get to a place where the gun could reach Charleston. The lieutenant did not think the job could be done, that is, transferring such a heavy gun over a bottomless swampy area and setting it up in a bog. He immediately presented Colonel Sherrill with a requisition for "20 men, 18 feet tall, to do duty in 15 feet of mud." He was dismissed and the job given to an engineering officer. After a remarkable engineering task, the gun was finally in place. At 1:30 a.m. on the 22 of August 1863, the first 200 pound shell was fired into Charleston. It took 20 pounds of black powder to fire the gun, and it was given the enduring name of "Swamp Angel." The shells raised havoc in Charleston. It kept firing away for days, but later a large charge of powder burst its barrel. The shelling of Charleston by the "Swamp Angel" had many repercussions. A "Swamp Angel" insignia, showing the gun, was printed on the envelopes used by the Negro soldiers there on the letters they sent home. One of the letters Beverly Day has, shows one of these and is reproduced in the copies I have. A monument to this gun was erected at the corner of Perry and Clinton Streets in Trenton, New Jersey and still stands there today, I believe.

But the gun shelled the Yankee prisoners being held in Charleston, including the Negro soldiers captured during the attack on Fort Wagner. These men were not sold or put into slavery, but the Confederates did not treat them as normal prisoners of war. They were held in the civilian prison cells normally used to hold the most hardened criminals, or Negroes accused of the worst crimes. They were rarely allowed to leave their cells to go out into the prison yard for fresh air and sunshine as were the white prisoners. They were made to do all the dirty work, including cleaning out the toilets of the other prisoners. They did this without complaint and the white prisoners then and later expressed their sorrow for the treatment given them. The Negroes themselves were more worried about their families wanting them to know that they were still alive. One of them gave a list of the names of the 54th Massachusetts men being held as prisoners to a white prisoner being exchanged, and when this list was published in the Northern newspaper, it was the first word received by the families of the 54th that some of their missing men were still alive.

To try to stop the shelling of Charleston, the Confederates moved a number of Yankee officers who had been taken prisoner into the Charleston area. In retaliation, the Yankees shipped a number of Confederate officers they had taken as prisoners to these offshore

islands within range of the Charleston guns shelling the islands. I do not believe any Yankee nor any Confederate prisoners of war were killed by this shelling, but it shows how high the feeling was running on both sides at that time.

The real point to note is that the rebels did not kill or put into slavery the first Yankee Negroes they captured, although they did not treat them on the same basis as they did the white prisoners. This later probably became one of the factors influencing the exchange of prisoners. The South refused to admit that the Negro captives they held were legitimate prisoners of war and refused to exchange them. This attitude may have influenced the North to stop exchanging prisoners and the South suffered. First, they badly needed the exchanged manpower to put them back into the fighting ranks, and secondly, it was a demoralizing blow to the Confederate soldiers held in Northern prison camps whose primary hope was in being exchanged. However, it backfired on the Yankees. Those northern men being held at Belle Island, Andersonville, and Salisbury, N.C. were also demoralized upon learning that the exchange of prisoners had stopped. With this loss of hope, the only thing sustaining many of them, many of them died.

The South's reaction was violent when the North began to use Negro troops. President Davis stated that any Negro soldier captured would not be treated as a soldier, but as a slave in insurrection, and would be sold as a slave. Further, any white officer captured while leading Negro troops would be shot immediately for leading an insurrection of slaves against white people. In spite of these fiery words, this was in fact never done. However, at the time, this meant that the Negro soldiers and their officers fought with a rope around their necks, but this did not stop them.

This attitude on the part of the North and South towards the Negro soldier might shed some light on what happened at Fort Pillow, Tennessee on 12 April 1864. General Nathan Bedford Forrest's attack was reported by northern sources, and repeated in General Grant's memoirs, that Forrest's men slaughtered the Negro troops after they had surrendered. I have tried to get all the facts about this, and I find that Grant wrote his version from reports made by Yankees who were not actually there. The accounts in the northern newspapers were also not based on firsthand information and can be labeled as war propaganda. Grant wrote that General Forrest had said he would "teach them to use Negro soldiers" and that "no quarters would be given." I must align myself with Confederate General S. D. Lee's official report of the affair.

Fort Pillow was north of Memphis on the Mississippi River. At the time of Gen. Forrest's attack, while General Sherman was conducting his Atlanta campaign, Fort Pillow was garrisoned by some Northern Tennessee regiments of infantry and cavalry, mainly white troops, 557 strong under the overall command of Major Lionel Booth. These troops included a Negro unit which had with it the wives and children of some of the Negro soldiers. At the time of Forrest's attack there were several Yankee transports up the river bringing more soldiers to reinforce the garrison at Fort Pillow. These troops observed the action from the river boats and most Union accounts of what happened are based upon these observations.

After his cavalry surrounded Fort Pillow, General Forrest sent a message to Major Booth informing him of his hopeless situation and requested his surrender. Booth took his time about replying, apparently hoping the transports would land the reinforcements to strengthen his command. Finally, Booth sent a written message back to General Forrest which stated: "Negotiations will not obtain the desired object." Forrest's patience

was duly tried. He was a man of action, not words, and Booth's delay in replying, the ambiguity of the reply, plus the nearing of the transports, enraged him. He rode out on his horse to talk to the Union soldier who had brought Booth's message and told him he was General Forrest and that he only wanted to know one thing from Booth: would he surrender or fight? Yes or No? He said he would give Booth twenty minutes to make up his mind. No word came in twenty minutes, so one hour later Forrest ordered his men to attack. The Confederates drove back the defenders at the first line of defense of the Fort, overran the defenses and drove the defenders below the bank of the river. Booth's troops put up a stiff fight. The Negro soldiers especially knew what was in store for them if they surrendered. A Confederate cavalryman, seeing the Union flag still flying, cut the flagpole ropes with his saber, causing the Union flag to fall. The Union troops aboard the transports saw this and with the so-called striking of the colors, assumed that Fort Pillow had surrendered, which was not the case. The defenders, under the riverbank, did not see the flag fall. They kept on fighting and so did Forrest's men. Reports from observers on the transports gave rise to the later tales that Forrest killed the Negro soldiers after they had surrendered. This was not so. The fighting raged. When it became apparent to the defenders that their situation was hopeless, they *did* surrender. After that, no one was killed. General Forrest took a total of 237 prisoners including 70 Negro soldiers and 40 of their women and children. They were all made prisoners of war. I hope this will help to set the record straight.

At the Battle of Crater at Petersburg in late July 1864, it was first planned to use Negro troops of General Edward Ferrero's Div. to make the assault after the explosion of the mine under the Confederate fortifications. These Negro troops were pleased and proud of the role assigned them and practiced and drilled to perfection just how they would carry out this assault. At the last minute someone (Meade?) in the local high command learned that Negro troops had been assigned this vital assault role and recommended to Gen. Grant that white troops be used. Gen. Grant agreed, and the order was countermanded. General Ledlie's white division, unprepared, was to perform the role of first vital assault. In the resulting confusion, the unprepared attack failed, and the Negro troops followed. In the stymied attack, they were shot down like dogs in the crater. They moaned about this as long as they remembered. The Negro did not fail, the high command did.

One aspect of using Negro troops which turned into a very embarrassing situation for Lincoln and our nation, was the pay the Negro troops received or were offered. Stanton's first authorization provided that the Negro soldier would receive the same pay, clothing allowance, etc., as the white troops. However, for some odd reason their pay was actually set as the same as Negro laborers; \$10 per month, versus \$13 per month the white soldier received. To a man, the Negro regiments refused to accept their \$10 per month pay, believing this would equate them with the colored hired laborer (although they did perform laborers' tasks that the white troops were not called upon to do). The Negroes felt they were real soldiers, and were doing their best to prove it, and were entitled to a real soldier's pay.

As Secretary of War Stanton had promised them equal pay, the Negro soldier believed, when they enlisted, that the War Department would follow through on its promise. However, this did not happen. Pay-day after pay-day rolled around, and no Negro soldier stepped forward to draw his \$10 pay. This infuriated the paymaster and, in turn the government. The Negro soldier quietly insisted upon his right. However, one regiment was almost court-martialed when they laid

down their guns (they actually stacked arms), and refused to obey orders, since they did not receive the \$13 per month pay. Some of their leaders were tried for mutiny and were sentenced to be shot.

Finally, the Massachusetts State Legislature, realizing the unfairness of the situation, voted to pay their Negro regiments the \$3 difference between the U.S. Government pay of \$10 and \$13. However, the Negro troops refused to accept even this. They were fighting for equality as well as for the Union. They felt that if they could not get recognition as real American soldiers, they could never thereafter gain acceptance as fellowmen in America.

This situation existed for over 18 months. As a result, they and their families suffered many hardships going without money. The Negro soldiers' letters during this period to their families at home were pathetic as they tried to explain their inability to send money home.

Colonel Shaw and other white officers wrote many letters to Congress and to the editors of their local papers explaining the situation and the inequalities and begged that something be done. Some Congressman got very upset over it and took the War Department to task over this. After a long hard struggle, the War Department gave in and finally paid the Negro troops the back pay of \$13 per month. All that money was windfall to the colored troops. Most of them gave it to their officers and Generals to hold for them, after sending some to their families. One General set up a bank for these funds. However, due to mismanagement and other factors, this bank later failed, and many of the Negro soldiers lost most of their savings.

The South's attitude about using Negro troops in the Confederate army was paradoxical. In 1861 it was unthinkable. In April 1862, all white men in the South between the ages of 18-35 were considered eligible for the army. In September on that year the age limit was raised to 45. By February of 1864, the South broadened this to include all white men from 17 to 50, robbing both the cradle and the grave. Such was the manpower shortage in the Confederate Army late in 1864.

On 11 January 1865, General Lee, in a private letter to President Davis, proposed that the South recruit and put under arms the Negro slaves as Confederate soldiers, promising the Negroes and their families freedom after the war. Other Southerners had earlier suggested this, but these suggestions were never taken seriously. However, realizing the desperate condition of the manpower in Lee's army at that time, President Davis and the Confederate Congress finally decided to use Negro troops. Several units were organized and were drilling in Richmond at the time Richmond fell in April 1865. They were obeying their Masters' orders. One prominent Southerner, upon hearing of the Confederate's decision to use Negro troops said: "The day we make soldiers out of them is the beginning of the end of the revolution. If slaves will make good soldiers, then our whole theory is wrong."

When Lincoln heard of this decision he said:

"If he (the Negro) shall now really fight to keep himself a slave, it will be a far better argument why (he) should remain a slave than I have ever before heard. He, perhaps, ought to be a slave, if he desire it ardently enough to fight for it. Or if one of four will, for his own freedom, fight to keep the other three in slavery, he ought to be a slave for his selfish meanness. I have always thought that all men should be free; but if any should be slaves, it should be first those who desire it for themselves, and secondly, those who desire it for others."

But Lincoln need not have worried. No Southern Negro troops wearing the Confederate uniform ever fought in battle.

Stanton, who was not famous for words of

praise, did praise the efforts of the Negro troops after the final assault on Petersburg. He said: "The hardest fighting was done by the black troops. The ports they stormed were the worst of all. After the affair was over, General Smith went to thank them, to tell them he was proud of their courage and dash. He says they cannot be exceeded as soldiers."

After General Robert E. Lee was forced to evacuate Richmond and Petersburg early in April 1865, President Lincoln entered Richmond with some Negro troops and he was almost mobbed by the Negro people there, as were the Negro troops, to the disgust of the white people watching. A few days later, on April 9, 1865, Lee had to surrender his army at Appomattox Court House to General Grant, and the Civil War came to an end.

Now let us take a final look at some of the Southerners' attitudes toward the Negro. Mary Johnston, the author of the book entitled: *The Long Roll*, a realistic account of Jackson's troops in the Civil War, was the wife of Major John William Johnston, of the CSA Artillery, and was a relative to CSA General Joseph Eggers Johnston. She emphasized in her book that she hoped the Southerners would remember the loyalty and devotion of the Negro slave to the Southerners, and that the South in years to come should remember this and treat the Negro with the respect due him.

Recently I was in Montgomery, Alabama and visited their State Capitol and stood on the bronze star in the floor where President Jefferson Davis was sworn in as the first President of the Confederacy, and where every governor of Alabama has been sworn in since. In the Alabama Hall of History, which I visited later, there is a tremendous collection of Civil War items. Battle flags of Alabama were exhibited there, many of which had been returned by the Northern states whose troops have captured them. There was a remarkable statue of General Joseph Wheeler. General Wheeler was an outstanding Confederate cavalry commander and he has a soft spot in my heart for what he did for my relatives. After the Battle of Averysboro, in North Carolina, March 1865, he escorted my mother's great aunt across the Cape Fear River near my home. She put his picture in her scrapbook with the above notation. I still have it.

As Alabama produced such men as Major General Joseph Wheeler, I would like to remind you that Alabama has also produced such men as George Washington Carver.

Let us consider General Wheeler further. He later became another Major General in the United States Army. There was a poem about him which goes like this: "Say Phil, (General Sheridan), have you heard the news? Joe Wheeler has joined the Blues." So did Confederate General S. D. Lee, and many others. Later, during the war with Spain, Major General Wheeler (U.S.) commanded another cavalry unit, the 10th U.S. Cavalry, a Negro unit. They fought with distinction, and took every objective assigned them, including San Juan Hill. Teddy Roosevelt got the credit, but Wheeler's Negro troops really won the battle, but received no credit. The Alabama general wrote an introduction to a book, written by those Negroes, detailing the history of the 10th U.S. Cavalry. Wheeler was lavish in his praise for the Negro troops, especially mentioning loyalty, "... a loyalty touching in its beauty and simplicity; and unselfish devotion." Wheeler pointed out that the Negroes covered themselves with glory.

And finally, William Henry Grady, the editor of the *Atlanta Constitution*, in his speech in New York on that cold December day in 1886 which I referred to earlier, summed up our feelings for the Negroes by saying:

"We remember with what fidelity for four years he guarded our defenseless women and children, whose husbands and fathers were fighting against his freedom. To his eternal credit, he it said that whenever he struck a

blow for his own liberty, he fought in open battle; and when at last he raised his black and humble hands that the shackles might be struck off, those hands were innocent of wrong against his helpless charges and worthy to be taken in loving grasp by every man who honors loyalty and devotion."

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PACEM IN TERRIS CONFERENCE

Mr. FULBRIGHT. Mr. President, at the recent meeting in Geneva of the Pacem in Terris Conference, Mr. Robert M. Hutchins, president of the Center for the Study of Democratic Institutions, summarized the activities of the conference in a very incisive and perspective manner. I ask unanimous consent that the remarks he made on that occasion be printed at this point in the RECORD.

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

CLOSING REMARKS BY ROBERT M. HUTCHINS, PRESIDENT, THE CENTER FOR THE STUDY OF DEMOCRATIC INSTITUTIONS

James Roosevelt is so good at his job of Secretary General, there are signs that he is going to make a career of it. Now what I am afraid of is that his great name will become synonymous with the suppression of free speech. There will be a new verb—"to Roose-

velt"—which will mean to hit anybody on the head who speaks more than five minutes.

Under his direction this has been a great occasion—it has been an historic occasion. We have been privileged to be present at the first public discussion between the representatives of the two Germanys which has been held since the war and there is every indication that this is the beginning of a new day. We have seen an informal spontaneous grouping of the nations of Southeast Asia which may have very far reaching implications for the future. And we have seen one after another the representatives of seventy nations—different colors, languages, religions, ideologies and costumes—who have expressed their deep common concern for the great problems that confront the human race. I think there is a certain area of agreement, and it is only the area of agreement I propose to touch on, for I have already trespassed too long on your time and patience. I think there are eleven points—a rather large number of rather large points—on which this assembly has, in effect, expressed a consensus.

The first is that the United Nations must be strengthened and made more independent.

The second is that the membership of the United Nations must be universal.

The third is that the war in Vietnam is, at best, a mistake. I consider that I may include the distinguished jurist from New Zealand as assenting to this proposition since his objection was only to the allegation of wickedness by the United States and not to its wrongness.

The fourth is that Southeast Asia must be neutralized.

The fifth is that the Cold War must be ended. It poisons every well and this means that the great myth of the communist conspiracy on which I was brought up and the great myth of capitalist imperialism, on which our socialist colleagues were brought up, must both be seriously modified if not abandoned.

The sixth point of general agreement is that racial discrimination is intolerable.

The seventh is that aid to the developing countries must be given by those which are better off, and this aid must be, or ought to be, multilateral. If the Pope's fund to be derived from taxation on armaments can be established, the Convocation, it seems to me, is for it, with only a tentative objection from Mr. Hoffman, who has a competing charity of his own.

The eighth point of general agreement is that the terms of trade are intolerable for the developing countries and that the ratio of industrial products to the prices of primary products must receive the most earnest explicit and immediate attention.

The ninth point is that no military solutions are adequate for the present day.

And the tenth is that no national solutions are adequate for the present day. Hence, we are brought back to the necessity of the first point—the United Nations must be strengthened and made more independent and steps to the development of that organization into a new plane of international government must be taken.

Finally, it seems to me, that we have agreed that coexistence is a necessary but not sufficient condition of human life. Survival is not, perhaps, an ignoble aim, but it is not a noble one either. We must move onward and upward from coexistence to what Pope John called the universal common good. This is an aim worthy of humanity and it will require the organization of the world for continuous peaceful change and a revision of the status quo without war.

Now if I were asked to characterize the spirit of this Convocation in one word, I would use the word "generosity." And I must in this connection file an official protest against the use of the term "hypocrisy" by one of our Participants when referring to an-

other. I can only hope that he was carried away. This is, I think, the only instance in which there was an impugning of the veracity or integrity of any member of this group by any other.

Senator Joseph Clark of Pennsylvania said, "Ladies and gentlemen, do not despair of the United States of America." The answer is, of course, that you should not despair of the United States of America because it produces men like Joe Clark. And on the same basis we can say, do not despair of a world when it produces people like you. But of course the problem is not the absence of men and women like you. The problem is that the world consists of structures of power. And the question is how to reform and re-direct these structures. This is the task that Pacem in Terris set for all men of goodwill. To this task many suggestions made here will contribute. But the performance of the task depends on the maintenance and expansion and extension of the spirit you have shown here. From the maintenance and extension of this spirit the greatest practical results may ultimately be expected. Let us, therefore, each in his own country, in his own sphere, press forward in the spirit of Pacem in Terris II.

Ladies and Gentlemen, on behalf of the Center for the Study of Democratic Institutions, I thank you for the contribution you have made to the common cause of all mankind.

EQUAL RIGHTS AND EQUAL OPPORTUNITY—A RECORD FOR ALL AMERICANS DURING THE JOHNSON YEARS

Mr. INOUE. Mr. President, of all the historic proposals which have become realities during the past 3 years, none, I believe, has given President Johnson and the Democratic Party more honor or satisfaction than our solid record of accomplishment in equal rights and equal opportunity.

Lyndon B. Johnson, of Texas, is the great civil rights President in American history. This fact is a matter of deep satisfaction to the President himself, to the Democratic Party he leads, and to all Americans of goodwill.

From its first days in office the Johnson administration has been characterized by an unyielding commitment to first-class citizenship and first-class opportunity for all Americans.

Eight months after assuming office, Lyndon Johnson put his signature to the most comprehensive, most forward-looking civil rights act since the Emancipation Proclamation.

It was a fitting climax to efforts fostered by the Democratic Party for more than 20 years.

A little over 3 years ago, the Johnson administration began a concerted effort to pass civil rights laws, expand job opportunity for the poor, improve education for the deprived, and expand minority group representation in the Federal Government.

Many "firsts" were achieved: The Economic Opportunity Act, the Elementary and Secondary Education Act, the Housing and Urban Development Act, the Civil Rights Act of 1964, the Voting Rights Act of 1965, the Child Nutrition Act, the Economic Development Act, the Fair Labor Standards Act of 1966, and the Model Cities Act.

All of these were in their way "firsts"

along the road to equal or improved opportunity for millions of poor, deprived, or disadvantaged Americans.

I am proud to say that the Government took the lead in providing such opportunity within its own ranks.

Robert Weaver became the first Negro Cabinet officer in history.

Thurgood Marshall became the first Negro to be nominated to the Supreme Court.

Vicente Ximenes became the first Mexican-American member of the U.S. Equal Employment Opportunity Commission.

Mrs. Constance B. Motley became the first Negro woman Federal judge.

Mrs. Patricia Harris became the first Negro woman ambassador from the United States.

These are typical of the kinds of Americans for whom President Johnson has reached out into the community to bring into the Federal service.

There were many others appointed as judges, ambassadors, and top-level administrators.

One need only read the morning newspaper to see that the struggle for equal opportunity in America is far from finished. It is clear that civil rights is a matter of concern beyond the so-called long, hot summer. It is a year-round struggle that continues to demand a national commitment to fulfill the rights of Negro Americans who desire nothing more than to live useful and productive lives in mainstream America.

President Johnson is not content to stand on yesterday's record of achievement in civil rights. And I do not think that the 90th Congress can ignore its continuing responsibilities, either. We have an unfinished agenda of important business to enact.

The President has proposed vital legislation on a broad range of matters directly affecting the welfare and security of the Negro community.

Now, I have heard some white Americans say: "Haven't they got enough? What more do they want?"

The answer is simple—Negro Americans, Indian Americans, Mexican Americans, and all the other minority groups in our land, want to be full and productive citizens of this country; nothing less and nothing more.

The United States, in the 1920's, thought it was time for normalcy, time for a pause. And it took us three decades to pull out of that one.

I cannot conceive of more false reasoning than that which suggests that it is time to stop, time for a pause in our quest for equal justice. For when we pause, we do not just frustrate needed programs; we frustrate the legitimate aspirations of millions of our fellow citizens.

Equal opportunity will not produce equal results if the Congress and the country are content to rest on their accomplishments.

There are now before the Congress a series of civil rights laws which should be enacted. They will guarantee equality in housing, fairness in jury selection, and improved protection to civil rights workers.

And there are other measures which will continue and expand the significant opportunity battle which this administration has waged since 1963.

Yes, the struggle is far from finished.

Equal rights and equal opportunity are goals that demand the best from us—not just some of the time, but all of the time.

A SURVEY OF AMERICAN FERTILIZER FIRMS ON THE OPPORTUNITIES AND PROBLEMS OF INVESTMENT IN INDIA

Mr. PEARSON. Mr. President, many of us have long believed in the desirability of expanded investment by American private business in the economies of the less developed nations. Such a stepped-up investment program would not only stimulate the economic growth in the recipient countries, but would also serve to ease the burden on the U.S. taxpayer who must foot the bills for our economic aid programs and, if well carried out, would constitute an effective demonstration of the value of the private enterprise system.

There have been many barriers to the expansion of American private investment abroad. Many of the less developed nations have been reluctant to encourage such investment out of fear of excessive foreign influence and also because of the political attitudes which tend to favor public over private investment efforts, whether foreign or domestic. Also, due in part to the above, there has been no comprehensive policy by the U.S. Government designed to encourage and facilitate American investment. And finally, American enterprise's unfamiliarity with the economic, political and cultural climate of the less developed nations has retarded this type of investment effort.

However, within the past year or so there has been a shift in conditions and attitudes. This new climate is particularly apparent in the area of food production. There is growing evidence that the American Government, and the governments receiving U.S. aid programs, and the efforts by the food deficient nations themselves may be incapable of solving the food shortage problems in sufficient time to prevent a massive crisis.

Thus, the world food crisis and the climate of opportunity it is helping to generate constitutes a challenge and an opportunity for American private investors. A challenge to illustrate that American private investment and technology can contribute to the realization of goals which we all share by means acceptable to all, and the opportunity to establish new market areas with reasonable rates of profit—the lifeblood of private enterprise.

Mr. President, the mobilization of American public and private resources to effectively prosecute the war on world hunger is one of the truly great challenges of the day. The success with which we prosecute this war will significantly influence the type of world we will live in 10 and 20 years from now.

Perhaps the food crisis is as great in India today as anywhere else in the world. The gap between production and consumption needs must be closed not

only for humanitarian reasons, but also because until this problem is solved, the question of whether this great Asian country can demonstrate to the world the possibility of maintaining a political democracy and a mixed economy will remain unanswered.

One of India's most pressing needs is the necessity to sharply expand the production and effective use of agricultural fertilizers. The Indian Government has established as one of its highest priorities the expansion of fertilizer production through a major public and private effort. Part of this effort has been to encourage foreign private investment. Much has been accomplished, but much more is needed.

Because I am so vitally concerned with the overall food deficit problem and particularly the problems now being experienced by India, I undertook, this spring, to survey American firms which have the capacity to develop fertilizer plants in India in an effort to develop more detailed information about the types of problems that have been experienced, what we may expect in the future, and how we and the Indian Government as well can best proceed to increase the production and use of fertilizer in the Indian economy. I limited my inquiries to India, not only because the problems there are pressing, but because it was necessary to narrow the scope of the initial survey. However, I did ask the companies surveyed to comment on the problem of increased private investment in underdeveloped countries in general. Also, I believe that much of the information concerning India can be applied to other Asian countries.

I received replies from 44 firms. Of these, 12 had either seriously explored the possibility of investing in the Indian economy or actually have plants in operation there.

Mr. President, the variety and detail of the responses to my questions are such that they cannot be conveniently and properly evaluated in a few words. Therefore, I have prepared a report listing the questions which I asked, followed by a detailed summary of the responses, and I ask unanimous consent that this report be inserted in the RECORD at the conclusion of my remarks.

However, drawing upon conversations with several corporation officers as well as the return correspondence there are several points that I wanted to give particular emphasis to.

First, I was impressed with the number of American firms who were definitely interested in investment in underdeveloped nations. It is my distinct impression that there has been a decided shift in the attitude on the part of American firms in this respect within the past 2 or 3 years. Many of the firms that responded, while indicating that they did not have any definite commitments as yet, were now beginning to seriously explore the possibilities of investment in underdeveloped nations. In addition, among those companies with operational projects in being, most indicated plans not just to continue those projects but, hopefully, to expand them.

Thus, more specifically in regard to India, the announced intentions of the Indian Government to further encourage greater American investment and participation in the production of agricultural fertilizers has been warmly received by American corporations.

As the detailed report indicates, American businessmen continue to stress the difficulties, from their point of view, that they often encounter in their negotiations with the Indian Government. However, there have been changes in the past year and the Indian Government has shown more flexibility which has helped speed up the negotiations process. It should also be pointed out that another factor here is that as American investors and the Indian Government officials have become more familiar with each other the shared experience has made negotiation easier and simpler.

Despite the changes that have occurred the American firms continue to identify bureaucratic red tape and lengthy, costly negotiation processes as one of the major difficulties that they encounter. They also believe that present Indian tax laws and tariff regulations are too restrictive and that they would like to see changes in these areas.

In regard to the specific problem of the production, distribution, and use of fertilizers, all the corporations emphasized that the building of a fertilizer plant was only the first step and they emphasized that there was a great need for significant improvement in the distribution system, both in terms of physical transport and also in terms of the commercial institutions necessary to finance proper distribution and use of fertilizer. Thus, for example, most argued that, particularly in the case of India, Indian farmers needed access to low-rate credit to finance fertilizer purchases. Closely related to this, most American corporation representatives also emphasized the need for an intensification of farmer educational programs.

I think it is also interesting to note that most American firms indicated that they preferred a joint venture operation in cooperation with Indian private corporations. Only a few indicated they preferred to develop fertilizer production facilities entirely on their own.

Mr. President, beyond these specific observations, let me say that this survey served to reemphasize both the necessity of action to improve the food producing capacities of the underdeveloped nations and the enormity of the problems that are and will be encountered in realizing that goal.

Thus this survey was both enlightening and sobering. The responsibilities that face the American Government and the American businessmen are formidable. I believe that we have the will to meet those responsibilities. We must be diligent in our pursuit of the means to fulfill those responsibilities.

I ask unanimous consent that this summary be printed in the RECORD at this point.

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

SUMMARY OF RESPONSES TO QUESTIONS ASKED OF AMERICAN FIRMS CAPABLE OF DEVELOPING FERTILIZER FACILITIES IN INDIA

1. *In regard to your efforts to date, what do you consider to be the most serious difficulties you have encountered?*

(a) Bureaucratic red tape and cautious, sometimes hostile, attitude toward American firms, resulting in lengthy negotiations and costly delays;

(b) Lack of a free market for fertilizer; existing fertilizer marketing pools tend to subsidize the inefficient plant at the expense of the efficient plant; and concern that privately financed plants might be competitively undercut by Government;

(c) Present inadequacy of the distribution and transportation system;

(d) High tax levels;

(e) Custom tariffs and an imposition of a 40 percent tariff on imported capital at the beginning of a construction project;

(f) High building costs and controls on import of raw materials which must be imported as a result of nonavailability in India; serious delays in obtaining construction licenses; and the uncertainty as to whether or not a fertilizer plant in India can obtain a long term (ten year) commitment by the Indian Government to make available foreign exchange for the importation of raw materials including semi-finished raw materials such as Diammonium Phosphate;

(g) Limited stability of local (Indian) currency which may require further devaluation;

(h) Shortage of personnel with commercial and/or skilled knowledge.

2. *What changes, if any, would you like to see the Indian Government make?*

(a) Simpler and consistent negotiation procedures with the Indian Government through a coordinator, or single authority, with whom or through whom negotiations with the several state governments and agencies could be conducted; and the need to reduce the number of approvals a foreign investor must obtain by making a grant of a basic industrial license which would eliminate many of the subsidiary approvals now required;

(b) A change in the present repressive tax laws; currency exchange guarantees; and protection against further unnecessary tax increases, as well as tax concessions on manufacturing plant earnings, personal income, property tax, and other taxes that might otherwise eliminate project profitability;

(c) Recognition of the need for constructing economically feasible plants whose size must be realistically related to the market forecast; a more realistic evaluation of the potential supply of indigenous equipment for plant construction including—design, materials of construction, availability, delays involved, possible foreign exchange savings, increased engineering cost involved in surveys of shops, etc.; and the importation and use of labor saving devices during construction; bulldozers, cranes, etc.;

(d) Permit free worldwide purchase of raw material for plant feed and source of indigenous raw materials; eliminate the requirements that a portion of the output be sold to the Indian Government at a negotiated price; and explore the feasibility of granting a ten year assurance of foreign exchange to import needed raw materials;

(e) Rapid expansion of the infra-structures needed to market the fertilizer;

(f) Greater willingness to accept foreign management with a realistic program for gradual replacement of management by Nationals.

3. *What types of actions could the United States Government take to encourage and facilitate this type of foreign investment project?*

(a) Our government should work more closely and constructively with the Indian

Government in establishing the infra-structure;

(b) Provide the necessary money and technical help to assist in the development of irrigation projects, teaching of agronomic and farm management practices, and establishing adequate farm credit institutions;

(c) Simplify the procedure and shorten the time required to obtain extended risk guarantees (both equity and debt) under AID programs; and AID should consider liberalizing their terms for subordinating Cooley Fund rupee loans (destined for fertilizer projects) to hard currency loans from private investors (and the IFC) in buying hard currency debt or equity securities of a private sector projects;

(d) U.S. Government should guarantee investments with regard to war risks and currency convertibility; and whenever loans, gifts, grants, and incentives of any type are given, they should serve to promote the free enterprise concept in the private sector;

(e) A source of funds might be made available to cover project construction cost overruns;

(f) Minimize the risk of investors by emphasizing to the Indian officials the need for starting small and gradually building up to a completely integrated plant on a timing schedule that fits in with the ability to market the large quantities of fertilizer required to support a completely integrated plant;

4. *In carrying out such a project, would you prefer to have total control or would you prefer a joint effort?*

(a) Respondents generally prefer a joint effort; however, there are pros and cons to both means of control and the details of a specific project determine the better approach. Generally speaking, total control assures an American company of the right to make all of the decisions and the right to furnish adequate technical and managerial talent in the early critical construction period and early years of operation. However, a joint effort with the host government, or with national business interests, is generally considered to assure cooperation. In all cases where companies reported they preferred a joint effort there was a preference for majority control in the effort.

5. *If you prefer a joint effort, should this be a partnership between you and the United States Government, between you and the Indian Government, between you and private Indian business organizations, or a broader based consortium arrangement?*

(a) Most American businessmen responding prefer a joint effort with an Indian partner in the private sector of the economy. Several also indicated they would prefer broadbased consortiums, possibly involving several American, European and Indian firms.

6. *The actual building of a fertilizer plant is, of course, only the first step. What suggestions do you have for steps that need to be taken to assure that fertilizers produced by these plants will be distributed and effectively used to the end that food production in India will be substantially increased?*

(a) Assurance that there will be an adequate infra-structure to enable distribution and marketing of the fertilizer, which should include improved storage facilities, and warehouse outlets and equipment;

(b) Broad farmer education and provisions for technical services; use of technically qualified personnel who will provide demonstrations, advice on seed programs, lectures, literature, and the supporting services of a soil analysis laboratory; and the most effective use of available waters for irrigation and guidance to prevent water-logging and salinity problems;

(c) Easing of credit restrictions; and the commencement of an in-depth study on the feasibility of loaning Cooley Fund rupees to the proper agencies or financial institutions

for use in extending credit to Indian fertilizer dealers and farmers.

CAPTIVE NATIONS WEEK

Mr. RIBICOFF. Mr. President, July 16-22, was Captive Nations Week, as established by an act of Congress, Public Law 86-90, unanimously approved by Congress in 1959. Thus, for nearly a decade, 1 week of each year has been so designated.

So it is with admiration and with sadness that we pause once again to honor the desire of brave, long-suffering peoples to be truly free.

Periods of darkness and oppression have at times shaded large portions of the globe and the spirit of justice has at times seemed extinct in the hearts of men. Yet we must remember that it is in just such times that the conscience of man has been stirred—that the forces of oppression have either crumbled or been overthrown by righteous anger.

In recognition of the plight of these peoples, the Governor of the State of Connecticut, the Honorable John Dempsey, issued a proclamation on Captive Nations Week. I ask unanimous consent that it be printed at this point in the RECORD.

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

[An official statement by His Excellency John Dempsey, Governor, State of Connecticut]

CAPTIVE NATIONS WEEK, JULY 16-22, 1967

Public Law No. 86-90, unanimously approved by the Congress of the United States in 1959, authorized the designation of an annual Captive Nations Week until such time as freedom and independence shall have been achieved for all the captive nations of the world.

The observance of Captive Nations Week takes place this year from July 16 through 22. It is an occasion which again calls public attention to the plight of millions of people in Europe and Asia who are subject to the oppressive influence of Communist Russia.

Deprived of their national independence and their individual liberties, the residents of the captive nations live in hope that their rightful freedom will one day be restored.

As citizens of a nation long committed to the principles of independence, freedom of thought and human dignity, we share the aspirations of our freedom-loving brethren in the captive nations.

Mindful of the worthy objectives of Captive Nations Week, let us observe this occasion with appropriate ceremony in the State of Connecticut.

JOHN DEMPSEY,
Governor.

Mr. RIBICOFF. Mr. President, furthermore, the Connecticut Committee for Captive Nations, representing various nationalities as Estonian, Latvian, Lithuanian, Cuban, Polish, Hungarian, Ukrainian, and others, observing Captive Nations Week in Hartford, Conn., on Sunday, July 16, 1967, also adopted a resolution, which I ask unanimous consent to have printed in the RECORD.

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

RESOLUTION, CAPTIVE NATIONS WEEK, 1967

Whereas, the imperialistic policies of Russian Communists methods (direct or indirect), through deceit and fraud, through

force and murder, have led to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, Mongolia, and others;

Whereas, the Russian Communists are actively and vigorously supporting aggressive oppression in many parts of the world, including armaments for the war against South Vietnam, arms and technicians for the Syrians, Iraqi, and Egyptians to foment war in the Middle East, supporting Egyptian oppression of the freedom-loving Yemeni including the atrocities of gas warfare, and the active development of Russian bases in Somaliland, Algeria for the purpose of defeating the desires and aims of freedom-loving Africans, Arabs and South Koreans;

Whereas, Russian aggression since 1917 and treacherous violation of almost all of its international pledges and agreements;

Whereas, the Russian Communists have created the greatest colonial empire in history, this being accomplished by the forcible dominance of the majority by a small minority;

Whereas the observance of Captive Nations Week enables us to speak for the many millions of people who are under the heel of this Communist tyranny;

Now, therefore, we strongly urge the full, thoughtful, and prayerful observance of Captive Nations Week and we further urge and demand that a review of the United States' policy be made with respect to the USSR and its Communist empire before the United States finds itself to be one of the captive nations under the influence and domination of the USSR. To accomplish this urgent review, we strongly support the Resolution of Congressman Edward J. Derwinski H. Res. 666, calling for a Congressional review of United States' policy toward the USSR.

This Resolution was introduced and adopted at the official gathering of representatives of Captive Nations as signed below:

Thadiker Malizewski, Joyce A Wiegabi, Erich Suswals, Lagle Kaive, Martha D. SSiosuas, Regina S. Ziurys, E. J. Ziurys, Jr., Adolfe Stoffler.

John Straedal, August Hinnon, Mate Kaiwan, Aaron Fereisco, A. Rindfi, J. Alpoly, Margo Luz Telauwur, Leonard Inb Idermond, E Phuer. Alexander Pupohlan, Luayt Petro, Gich-oel Spurport, A T Momroley, R Tyler, Peteris Aports, Z Cmolex, Hlewandos Bohitronis.

Dr Jose Amat, Fred Cuban, Elizabeth Zub Zdanowicz, K Alexandree, Slazi Tamm Plueson, Jan Musial, T. Topeloh, Walter Mayveil.

GRAVITY METER SEQUEL

Mr. MUNDT. Mr. President, over the weekend, in the July 21, 1967, edition of the Chicago Tribune, the able journalist, Willard Edwards, unfolded still another chapter in the story of our Government's incredible zeal for West to East traffic in strategic materiel.

It is reassuring to learn that some of our industrialists remain adamantly opposed to selling vital strategic equipment to the Communist bloc countries. In this instance, Dr. Lucien LaCoste, of LaCoste & Romberg, refused to sell a seaborne gravity meter, which would have fulfilled a major military requirement, even though the State Department informed him that the buyer should be regarded

as no different from a West European customer.

Mr. President, in order to make this story available to the wide readership of the CONGRESSIONAL RECORD, I ask unanimous consent that it be printed in the RECORD.

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

CAPITOL VIEWS

(By Willard Edwards)

WASHINGTON, July 21.—From Texas comes another extraordinary story of government policy in trading with the enemy.

Except for the patriotic refusal of a Texas manufacturer to profit thru communist trade, a deadly missile warfare device would now be in the hands of communist Yugoslavia.

This hitherto unsung hero is Lucien LaCoste of LaCoste and Romberg, Austin, Tex., a manufacturer of gravity meters, scientific instruments measuring the force of gravity. They are vital to the provision of data in improving the accuracy of guided missiles.

LaCoste resisted government urging and rejected a purchase order from Yugoslavia for three of these instruments. It took courage because most of his business is with government agencies.

Only last week, the commerce department, under pressure from a half-dozen senators and a score of representatives, agreed to the withdrawal of a license to export a missile-guidance device to communist Poland.

Sen. Karl Mundt [R., S.D.], who exposed the issuance of the license, had branded the incident as incredible. Sen. John Tower [R., Tex.], to whom LaCoste appealed, noted that LaCoste's experience revealed a continuing danger in the Johnson administration's export control policy.

As disclosed here a month ago, Mundt spotted the scheduled shipment to Poland of a gravity meter. In response to his request for information on its military value, Rauer H. Meyer, director, office of export control, wrote, defensively, that the meter in question was for use only on land.

READS STATEMENT WITH CONSTERNATION

"The major military requirements today are concerned with the effects of gravity on seaborne inertial navigation and seaborne fire control systems," Meyer said.

His implication was clear. Only the seaborne type of gravity meter was of interest to missile experts. Presumably, the commerce department would never dream of authorizing export of this type.

LaCoste read this statement with consternation. His firm makes a shipboard gravity meter for use at sea. In October, 1964, he received an order from Rudar, a firm in Zagreb, Yugoslavia, for "three gravity meters—shipborne and for submarine measurements."

"Our customer needs the instruments urgently," the letter said. "Kindly let us have your shortest delivery terms."

LaCoste did not hesitate. "We regret to inform you," he wrote the Yugoslav firm, "that we have made it a policy not to deal with any of the communist countries because we believe it is against the best interests of the United States."

IMPLIES REPROOF OF OBDURATE STAND

He notified Tower of the exchange. Tower asked the commerce department about Rudar and was informed it was a licensed Yugoslav government export-import firm.

A letter from Robert L. McNeill, acting assistant secretary, implied reproof of LaCoste's obdurate stand. Trade with Yugoslavia, he wrote, was no different than trade with western Europe, "including the licensing of certain strategic commodities."

For guidance, McNeill included a statement by Secretary of State Dean Rusk which praised the maintenance of friendly relations

with Yugoslavia and stated that its treatment as a member of the Russian bloc "would be sterile and defensive, without the promise of real gain."

LaCoste was quite plainly being told that he had made a mistake but he refused to change his stand. Yugoslavia did not get the instruments now described by the commerce department as containing "the major military gravity requirements today."

SUPPORT OF DICKEY-LINCOLN SCHOOL HYDROELECTRIC PROJECT

Mr. MUSKIE, Mr. President, before and since Congress authorized the Dickey-Lincoln School hydroelectric project on Maine's St. John River in 1965, traditional and selfish opposition to the project by the privately owned public utilities has created confusion about Dickey's benefits. The private utility lobby clearly has tried to obscure and misrepresent the truth about Dickey.

In an attempt to reduce the confusion, the Public Works Subcommittee of the House Appropriations Committee last year ordered a staff evaluation of Dickey. Earlier this year, the results of the subcommittee study were made public, and they decisively substantiated Dickey's value. The staff found that every \$1 invested will generate \$1.90 in benefits to consumers in New England.

A recent editorial in the Providence, R.I., Evening Bulletin summarizes the staff endorsement of Dickey. Among other observations, the Evening Bulletin notes that in the last 4 years, Congress has approved seven hydroelectric projects with lower benefit-cost ratios than Dickey's. The editorial concludes that the report "establishes a basis for the thesis that getting on with the project makes good sense. Congress should take the hint." I agree, and I ask unanimous consent that the editorial be printed in the RECORD.

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

[From the Providence (R.I.) Evening Bulletin, June 8, 1967]

A SENSIBLE PROJECT

Congress is in a sound position to proceed with the Dickey-Lincoln public power project in Maine now that the thicket of contradictory statements about its economic value has been cut away.

The controversial hydroelectric project conceived to relieve New Englanders from the highest power rates in the country was authorized in 1965, but getting planning appropriations through Congress has been like pulling teeth.

The reason was that Congress did not know whom to believe. Federal agencies like the Federal Power Commission and the Army Corps of Engineers have said right along that the project is economically feasible, whereas the Electric Coordinating Council of New England has reported that private utilities could produce base power for the Maine area with a nuclear plant cheaper than the federal government could with Dickey-Lincoln.

Under instructions from Congress, the staff of the House appropriations committee has completed a review of studies by public and private agencies concerning the potential of Dickey-Lincoln. In the process, it has discredited many statistics submitted by the council which represents private power groups opposing the project.

The staff reports that federally financed nuclear or fossil-fuel plants in Boston and

Maine would produce cheaper power than Dickey-Lincoln, but that privately financed sources of power—subject as they are to higher debt costs and taxes—would not. On the other hand, says the staff, the Dickey project would afford flood protection and create new recreation centers which would not be the case with either federally or privately financed nuclear or conventional plants.

The staff clears up another disputed point in finding that the project would have a favorable benefit-cost ratio; that is, the dollar value of its benefits would exceed the dollar cost of operating it. The council had reached the opposite conclusion—that cost would exceed the value of benefits—but the staff contends the council erred in that conclusion by figuring the life of the project at 50 years instead of 100 years.

Clearing up the point is vital because Congress puts much weight on benefit-cost ratio in helping it decide which public projects to undertake. In the last four years, it has approved seven hydroelectric projects with lower benefit-cost ratios than the one figured by the staff for Dickey-Lincoln.

The staff report does not presume to advise Congress what should be done, but by removing contradictions that have obscured Dickey-Lincoln's worth, it establishes a basis for the thesis that getting on with the project makes good sense. Congress should take the hint.

BELOIT DAILY NEWS SUPPORTS BILINGUAL AMERICAN EDUCATION BILL

Mr. YARBOROUGH, Mr. President, the Daily News of Beloit, Wis., is another of the daily newspapers which is supporting the Bilingual American Education bill. This fine paper has a large circulation in northern Illinois and southern Wisconsin, where it has earned the reputation of being independent and progressive in facing up to today's problems.

I ask unanimous consent that the editorial from the July 12, 1967, Beloit Daily News be printed at this point in the RECORD.

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

LANGUAGE IS ANOTHER CIVIL RIGHTS PROBLEM

Although many Americans equate the drive for civil rights with Negroes, there is and always has been evidence of prejudiced attitudes and behavior toward other ethnic minority groups. This was pointed up when Senator Yarborough of Texas recently decried the treatment of Mexican-Americans in our public schools.

One of the major problems facing Mexican-American children lies in language usage. In many cases the use of Spanish, which they hear in their homes, is forbidden to them and they are forced to struggle along in English. It is highly significant that 50 percent of Spanish-speaking children in California, for instance, drop out of school by the eighth grade. The language difficulty is blamed as the major cause.

Senator Yarborough has introduced a bill providing for 15 million dollars yearly for support of Spanish as a native language and English as a second language in selected schools where such a problem exists. It is time this step was taken. Americans are notoriously lacking in language facility as well as concentration on languages other than English in public school curricula. It is ironic that Spanish, which was essentially the "native" tongue in some parts of the country long before English-speaking peoples settled there, should be relegated to the status of just another foreign language.

Senator Kuchel of California stated it well: "We must treat the ability to speak Spanish and other languages as an asset . . . The United States can no longer pretend that it can communicate with other peoples with but one tongue, no matter how widely the English language is spread over the earth."

SHALE OIL

Mr. MORSE, Mr. President, the July 1967 issue of Agenda published by the AFL-CIO, contains a most interesting article entitled "Shale Oil: New Petroleum Frontier."

I ask unanimous consent that it be printed in the RECORD at this point in my remarks.

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

SHALE OIL: NEW PETROLEUM FRONTIER

(By Ray Davidson)

(NOTE.—Ray Davidson is director of public relations for the Oil, Chemical & Atomic Workers International Union, and president of the International Labor Press Association. The suggestions concerning government policy on shale oil represent his personal viewpoint.)

Suddenly, oil shale is in the news.

It made headlines during Senate Antitrust Committee hearings last spring and again when Secretary of Interior Stewart L. Udall promulgated a new set of regulations regarding the leasing of federally owned shale lands to private developers.

Superlatives fly. Shale from which oil can be extracted in substantial volume underlies 16,000 square miles of mostly semi-arid, sparsely-populated land in Colorado, Wyoming and Utah. Eighty percent of this land is federally-owned.

Some say there are 2,000 billion barrels of oil in that rock, five times the world's known reserves of petroleum and 70 times the proven reserves in the United States!

At present market prices, that much oil would be worth five thousand billion dollars—or \$25,000 for each man, woman and child in the nation. But that is a misleading figure; the shale presently is worth nothing, and of course the oil cannot be extracted free of cost.

Why the sudden burst of oil shale into the news? Oil shale is found in various places in the world; it already has been exploited from time to time in nations short of petroleum. United States engineers have experimented with it for decades, and since World War II the U.S. Bureau of Mines has conducted substantial experimental programs on extraction of oil. For several years, various private companies have carried on experiments and pilot plant operations.

In the oil and mining industries and in the western shale regions, there long has been the matter-of-fact knowledge that America has a great reservoir of fuel in that shale and that sooner or later it would be developed.

The unanswered question has been: when will that happen?

The "when," in this profit-oriented economy, mainly has depended on economics—that is, when the difficult process of extracting the oil from the shale could be done at a price competitive with the price of petroleum, and when gasoline-guzzling America would need shale oil to supplement petroleum.

But in the oil world, economics are never simple. This is a price world which bears no relationship to that of a pair of drug stores on opposite corners of an intersection engaging in a cut-rate war. Oil is an economic arena so complex that honest economists go mad trying to dissect it. And, as in many

other complex situations, it is an arena in which many partisans spout forth glib answers.

Suffice it to say in this short article that there is a considerable measure of price-fixing in the petroleum world, both internationally and domestically, through processes so involved that not even the participants knows entirely how they work. Not all this price-fixing is for crass purposes and some of it may be necessary for the general welfare.

At any rate, interest in oil shale is quickening now because it is verging on a competitive position with petroleum for price and other reasons.

Shale oil now appears to be somewhat more expensive than crude petroleum—as petroleum prices are now pegged—but some credible experts say shale oil can be produced cheaper, at least for certain key markets, than petroleum. This is hard to prove, for no commercial-scale extraction of oil from shale has been carried out in the United States. Pilot plants still seek to find the best solution to the tough problem of getting the oil out of the rock.

Note that other reasons than price are influencing industry attitudes toward oil shale development. The most important of these can be expressed in one word: *reserves*.

The oil company prospers in relation to *proven reserves* of oil it has in the ground.

Today's production, today's efficiency in refining, today's markets all influence the company's profits—but the real asset is oil owned in reserve under the ground. With that asset, the company can endure the vicissitudes of the market place, for sooner or later that asset can be withdrawn and used, like money in a savings account.

Presently the United States, and each oil company, depend on two basic sources for oil—and oil is America's leading energy source. These are domestic production and foreign imports of liquid petroleum.

The U.S. produces about 8.6 million barrels daily from under its own soil, and imports about 2.8 million barrels daily (as of June 1, 1967.)

Those few big international companies with extensive foreign crude reserves find this a most comfortable way of life. But even the big companies which depend largely on their domestic production are worried, for the U.S. domestic reserves are dwindling, with old fields gradually being pumped dry and new discoveries both fewer and leaner.

This nation sooner or later will need the fuel available from shale oil. Now the point has arrived when many oil companies believe they had better go to work on shale in order to bolster their own sources and reserves. For a number of reasons, neither the nation nor many companies can afford to depend on foreign petroleum.

So it seems that the "when" for which people in the oil shale states have long waited may be at hand.

Oil shale appears to be on the verge of development. It will not be a quick and dramatic thing. Most knowledgeable observers guess that it will be a decade before substantial commercial production comes from the shale—and perhaps two or three decades before shale accounts for a goodly percentage of America's oil.

In addition to the technical problem of extracting the oil from the shale there are other handicaps. The shale, lying just west of the Rocky Mountains on the eastern edge of the Inter-Mountain Desert, is about as poorly located in relation to major markets as any point in the nation.

There is a shortage of water for industrial purposes, because the shale beds underlie mostly semiarid country. So the theoretical \$25,000-per-citizen heritage in the shale lands is far from realization.

The very fact that development will be slow provides the nation—if it is vigilant—an opportunity to make sure that the public interest is protected. Most raw material ex-

ploitation in the past has been carried out on a catch-as-catch-can basis, with waste and unfair division of the fruits sort of slipping up on the public. In the case of oil shale, care can be exercised from the beginning.

Protection of the public interest in oil shale has several facets. First, there is the question of whether development should be by public or private agencies, or by a combination of the two.

Some recommended that a public corporation, similar to TVA, do the work. Others suggest that the government run a commercial-scale program to serve as a yardstick to keep private developers honest. American values and politics being what they are, the shale is likely to be exploited by private companies.

If shale oil is brought under private development, monopoly must be avoided, and in this area many Americans profoundly distrust the oil industry.

There is the further problem, under private exploitation, of establishing a fair division of the economic pie between the public, which owns most of the shale, and the companies which develop it. To understate the point, not all that \$25,000-per-person lode can ever go into public coffers; slice it any way you wish, a high percentage will go to the cost of extracting the oil out of the otherwise worthless shale. The question is, "What percentage?"

(The standard cut of the petroleum pie in the U.S. is that the land-owner gets one-eighth of gross production plus varying, but generally small, lease payments, while the oil company gets seven-eighths. In some prolific foreign fields, the division is 50-50. But there is an entirely different set of circumstances in shale, so petroleum practices cannot be used as a guide.)

On May 6, Secretary of Interior Udall proposed regulations for private development of federally-owned shale.

He proposed that not more than 30,000 acres—a trivial area, over-all—be leased to companies or organizations for research purposes. Any technical discoveries would become public property rather than private patents. No research lease would extend more than 10 years and the lease-holder would have to carry on an active research program.

Then, commercial leases would be granted as commercial operations became feasible. No company or individual could lease more than 5,120 acres—a limit set by a law passed in 1920 and, by implication, a size still deemed to be fair.

The government would be paid a minimum royalty of three percent of gross value at point of shipment of minerals extracted (there are some minor minerals of value available as well as oil). Royalties would scale upward to a maximum of 50 percent of net profits on lease-holders making more than 20 percent return on investment.

The Udall plan provides that leases will contain "such provisions as necessary" to prevent air and water pollution, conserve scenic beauty and protect surface resources.

Is the Udall plan adequate to protect public interest while encouraging private development of this potentially rich resource?

Criticism of the Udall plan, both from the oil industry and from non-industry groups such as organized labor, has fallen mostly in bits and pieces, and has tended to be oversimplified. Industry says, "Just leave it to us," and critics of industry say, "You can't trust 'em."

Except on a purely theoretical basis no one has offered a complete formula. The fact is, no one can. The matter is too complex for anyone to understand it all. There are too many unknown factors.

This writer offers the private opinion that protection of the public interest in oil shale depends not on any plan which can be written down now, but on vigilance as future developments occur.

It is in the fine print of the Udall proposal—or of any other proposal that might be offered—that loopholes can be developed. It is in the bureaucratic (or *administrative*, if you prefer a gentler word) application of the Udall proposal or any other that the public can be protected, or robbed. The phrase that leases shall contain "such provisions as necessary" shows up more than once in the Udall document.

The Senate Antitrust Committee hearings rendered a great service by throwing the spotlight on oil shale. That spotlight must be kept in focus and burning brightly to protect the public interest.

One thing is sure: the United States Department of Interior cannot be trusted to police the oil industry, and at the moment that department is pretty much the only policeman on the scene. This department long has been dominated by the industry.

It is not a question of the personal integrity of any Secretary of Interior; the gimmick lies in the fact that Interior, like all agencies, is substantially guided by its staff employees, and oil company executives more or less on temporary leave from their home offices have dominated the staff of the Oil and Gas Division of Interior for a long time.

The public needs a strong Oil Shale Advisory Committee to police the development of shale oil, independent of the Interior Department and other agencies. Such committee should contain representation from conservation, consumer and labor interests as well as from government and industry.

Still more importantly, this Advisory Committee should be underpinned with an adequate and competent staff of technical experts independent of domination by any of the selfish interests involved. In a subject so complex, the members of the Advisory Committee who spend only part time on the job can be only as wise, and as unbiased, as the staff studies they work with.

Even with this protective agency, other spotlights should be kept on the action. Congressional committees should have occasional open hearings, for example. At no time should the excuse of "national security" be used to shield oil shale activities, as has necessarily happened in the case of atomic energy and has probably resulted in many deaths because of inadequate safety regulations.

We, the people, have time in this case to exercise scrutiny and care. Oil shale development is an all but virgin field, thus far not spoiled by previous errors, and the development is due to be quite slow, indeed.

WIRETAPPING AND EAVESDROPPING: PROS AND CONS

Mr. LONG of Missouri. Mr. President, the July 1967 issue of the magazine *Current History* contains an excellent comprehensive analysis of the pros and cons of electronic eavesdropping, written by Prof. Herman Schwartz, of Buffalo.

Professor Schwartz, who worked for the Senate a few years ago, is one of the country's leading experts in the field of law dealing with electronic eavesdropping. Although he is not highly optimistic about the enactment of Federal legislation at this time, his article is well worth study.

I ask unanimous consent that the article be printed in the RECORD.

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

WIRETAPPING AND EAVESDROPPING: PROS AND CONS

(By Herman Schwartz, professor of law, School of Law, State University of New York at Buffalo)

Once upon a time a man could retire into his home, free from prying eyes and ears,

with distance between himself and his neighbors. That day is gone. Parabolic microphones, wiretaps, bugs, hovering cameras, apartment house living—all these have combined to make it almost impossible for a man to get away from a determined spy or eavesdropper. The right of privacy, cherished by free men and protected by the common law and by our Constitution, now requires special legislation and extraordinary scientific devices for its preservation.

Invasions of privacy result from the pressures of urban life and of advancing technology, from concern about a growing crime problem and from fear of foreign enemies. The issue thus posed is the perennial problem of the free society; how to balance liberty against security, how to achieve the optimal amount of each without excessively sacrificing the other. The answer depends not only on facts, but also on values—some people cherish privacy more than others while some people think our police are already hnaduffed excessively. Although an exploration of the problem can do little to affect such bedrock attitudes, it can bring to light some of the realities and ramifications which must be faced.

Before turning to the issues, a few preliminary matters can be resolved quickly. First, almost no one believes that private wiretapping or eavesdropping is to be tolerated. The controversy relates exclusively to wiretapping and eavesdropping for purposes of law enforcement. Second, it is agreed by almost everyone that even if law enforcement wiretapping is permitted, it cannot be left completely in the hands of the law enforcement officers—with one notable exception to be discussed below—but must be strictly controlled by the courts. Third, distinctions must be drawn between wiretapping and eavesdropping by state officers, and the same practices by federal officers. The ultimate conclusion may be the same in both instances, but different considerations are relevant and must be kept in mind.

The right to privacy is deeply imbedded in American history; unfortunately, invasions of privacy are even more deeply imbedded. As early as the sixteenth century, the power to search and seize indiscriminately was used to stamp out seditious libel and writings "contrary to the form of any statute, act or proclamation made or to be made."

Later, in the American colonies, Parliament granted colonial revenue officers complete discretion to search in suspected places for smuggled goods by means of writs of assistance. The struggle against these writs was described by John Adams as "the first act of opposition to the arbitrary claims of Great Britain." Revulsion against general warrants and writs of assistance led the Founding Fathers to include in the Fourth Amendment to the Constitution this express ban on general warrants: "no warrants shall issue, but upon probable cause . . . and particularly describing the place to be searched and the person or things to be seized."

In the early years after the Revolution, Americans guarded their privacy closely. Professor Alan Westin, director of one of the most thorough studies ever made on the right of privacy and the dangers it faces today, has stressed the historical tie in early America between freedom of speech and the right to privacy.¹ This period of protection was short-lived, however, and so far American law has been unable to cope satisfactorily with the problem.

The modern dilemma started in 1928 when, in the *Olmstead* case,² a 5-4 majority of the

Supreme Court held that wiretapping was not prohibited by the Fourth Amendment because, among other things: (1) the Fourth Amendment protected only tangible things and not verbal utterances; and (2) the amendment could not be violated where the building itself was not physically penetrated. This rigidly unrealistic approach, which would have made protection of the right to privacy impossible in today's world, was sharply criticized when the case was decided,³ and it is clear that time and wisdom were more on the side of dissenting Justice Louis D. Brandeis, who wrote: "time works changes, brings into existence new conditions and purposes. . . . The progress of science in furnishing the Government with means of espionage is not likely to stop with wiretapping. Ways may some day be developed by which the Government, without removing papers from secret drawers, can reproduce them in court. . . . Can it be that the Constitution affords no protection against such invasions of privacy?"

Unfortunately, until now, the Supreme Court has allowed the answer to Mr. Justice Brandeis' question to remain "Yes"—the Constitution affords no protection against eavesdropping which does not penetrate the physical enclosure and almost none at all against wiretapping. Despite almost unanimous criticism, this aspect of *Olmstead* has not been overruled to date (although it is now clear that private verbal utterances are protected).

This does not mean, however, that wiretapping or eavesdropping have remained legally unrestricted. In 1934, Congress enacted the Federal Communications Act, section 605 of which prohibited the interception and divulgence of any wire or radio communication or the use of any such communication. This was construed by the Supreme Court in 1937 to prohibit wiretapping and to exclude from federal trials any evidence obtained through the use of a wiretap on any phone either directly or indirectly. For a while it looked as if significant federal restrictions would be imposed.

These hopes were short-lived. A few years later, under wartime pressures, the Supreme Court began to show a more permissive attitude toward wiretapping and other forms of electronic eavesdropping. Unwilling to overrule *Olmstead*, the Court held that a telephone placed against (but not into or through a wall) did not come within the protection of the Fourth Amendment, thus eliminating all constitutional regulation of such a practice. In 1952, the Court further held that evidence obtained by state wiretapping could be admitted in a state court, regardless of the illegality of such wiretapping.⁴ And in the 1957 *Rathbun* decision, the Supreme Court further declared that one party to a telephone conversation could validly authorize a detective to listen in on an extension phone. In addition, the federal Department of Justice has argued that under the statute, it is only illegal to intercept and divulge, not to intercept alone, and that so long as it does not use wiretap evidence in court, it does not "divulge."

The department's position and these Supreme Court rulings have resulted in an al-

¹ The story of the *Olmstead* case is told in Walter F. Murphy, *Wiretapping on Trial: A Case Study in the Judicial Process* (New York: Random House, 1965). The book, available in paperback, contains a good summary of the law and the issues in general while concentrating on *Olmstead*.

² This decision was based upon an analogy with the then controlling decision of *Wolf v. Colorado*, 338 U.S. 25 (1949), which held that state courts could consider evidence seized by state officials even though such seizure was unconstitutional. Although *Wolf* has been overruled (*Mapp v. Ohio*, 367 U.S. 643, 1961), this overruling has not been extended to wiretapping.

most complete nullification of the prohibitions of section 605, at least insofar as wiretapping by law enforcement officials is concerned. Many state and local officials have continued to tap to this day, with complete impunity. Indeed, despite the clear prohibition of section 605, New York and other states have enacted statutes purporting to authorize law enforcement wiretapping and the use of the evidence so obtained. Federal officials have engaged in widespread electronic eavesdropping, even where such activities are clearly and flagrantly illegal.⁵

In 1961, however, the tide seemed to turn again. The Supreme Court held that the introduction of a spike microphone into a wall was sufficient to comply with the physical penetration requirement of *Olmstead*, even though in one case the penetration was no greater than the length of a thumbtack and, in the other, less than an inch.⁶ In 1967, the Court agreed to pass on New York State's eavesdropping statute. The revelations of widespread federal legal and illegal electronic eavesdropping caused the Department of Justice to drop several cases where there was clear and flagrant illegal eavesdropping. And in February, 1967, President Lyndon B. Johnson called for legislation outlawing all wiretapping and eavesdropping except in national security cases, and even there under narrowly restricted circumstances. Shortly thereafter, legislation to effectuate the President's proposal was introduced by Senator Edward V. Long of Missouri, whose subcommittee had exposed much of the illegal federal wiretapping and eavesdropping.⁷

Today, the legal situation is in complete chaos. There is a federal law on the books banning all wiretapping, but it is ignored openly by the states. Eavesdropping which involves even a trivial physical penetration is forbidden by the Fourth Amendment, but if there is no such penetration, there is no constitutional protection, no matter how gross or great the invasion of privacy.

WIRETAPPING AND ELECTRONIC EAVESDROPPING: CON

The right to privacy is indeed the most comprehensive of all rights. A society which cherishes liberty and human dignity cannot do without it; a society which seeks to suppress freedom cannot tolerate it.

Wiretapping and electronic eavesdropping deeply endanger privacy. The mere possibility that someone may be eavesdropping on a conversation with one's wife or lawyer or business associate will discourage full and open discourse.⁸ Indeed, government officials

⁵ The most thorough disclosure of the Internal Revenue Service and other governmental agencies' eavesdropping practices appears in Hearings before the Senate Administrative Practices and Procedures Subcommittee on Invasions of Privacy, Parts 1-6 (1965-1966); *The Wall Street Journal* of March 6, 1967, carried a good summary of the revelations of the FBI's eavesdropping activities. A great many of the arguments for and against wiretapping appear in the recent congressional hearings on wiretapping in 1961 and 1962 before the Senate Constitutional Rights Subcommittee (1961) and Senate Judiciary Committee (1962).

⁶ See *Clinton v. Virginia*, 377 U.S. 158 (1964); *Silverman v. United States*, 365 U.S. 505 (1961).

⁷ S. 928, 90th Cong., 1st Sess. (1967). At the same time, Senator John McClellan introduced a bill which permits wiretapping by federal and state officers under a court order system, except in national security cases, where presidential authorization can dispense with a court order. S. 675, 90th Cong., 1st Sess. (1967); Senator James O. Eastland has also introduced a bill to allow federal officers to wiretap. S. 634, 90th Cong., 1st Sess. (1967).

⁸ This was ironically demonstrated by the United States Attorney General's office in Washington, D.C. in 1963, when a hidden

¹ For a thorough analysis of the interests involved and the issues raised, see Alan Westin, "Science, Privacy and Freedom: Issues and Proposals for the 1970's," Parts I, II, *Columbia Law Review*, vol. 66 (1966), pp. 1033, 1205.

² *Olmstead v. United States*, 277 U.S. 438 (1928).

who are in office for a period of time can build up a substantial body of information on other public officials and representatives, which can seriously impair the working of representative democracy.⁹

Moreover, even though the Supreme Court has held until now that citizens are not protected against wiretapping and non-physical entry eavesdropping by the Fourth Amendment, this aspect of these rulings is acceptable to no one. Part of the reason the Court so held, however, is that wiretapping and electronic eavesdropping cannot easily be prohibited by that amendment. The founders of our nation established the protections of the Fourth Amendment because they had seen their homes subjected to unlimited invasions and searches and they wanted to ensure that such unlimited searches and general warrants would never be repeated. Government officials were therefore to be allowed only specific warrants, particularly describing, in the words of the Fourth Amendment, the "place to be searched" and the "thing to be seized."

Wiretapping and electronic eavesdropping cannot, however, be so limited. Any authorization for such practices would necessarily be general, rather than covered by a specific warrant limited to specific objects and places, for it would necessarily permit a general exploratory search for evidence in aid of prosecution. This is because such devices inevitably pick up all the conversations on the wire tapped or room scrutinized. Thus, not only is the privacy of the telephone user invaded with respect to those calls relating to the offense for which the tap is installed, but (1) *all his other calls* are overheard, no matter how irrelevant, intimate or otherwise privileged—such as conversations with his lawyer, or doctor—and thus all persons who respond to his calls have their conversations overheard; (2) *all other persons who use his telephone* are overheard, whether they be family, business associates or visitors; and (3) *all persons who call him*, his family, his business, and those temporarily at his home are overheard. Thus, in the course of tapping a single telephone a police agent recorded conversations involving, *at the other end*, the Juilliard School of Music, the Brooklyn Law School, Consolidated Radio Artists, Western Union, the Mercantile National Bank, several restaurants, a drug store, a garage, the Prudential Insurance Company, a health club, the Medical Bureau to Aid Spanish Democracy, dentists, brokers, engineers and a New York police station.¹⁰

Electronic eavesdropping is even more penetrating and indiscriminate. In the 1961 *Silverman* case, a spike microphone was driven into a wall until it contacted the plumbing system and made the system into a giant and pervasive listening device. In another case, a microphone was placed in a bedroom. Thus, any assumption that wiretapping and eavesdropping affect only crim-

inals and criminal activities is totally unwarranted. Indeed, there are indications that *friends* of a suspect may also have their phones tapped in hopes that he may call them.

Wiretapping's broad sweep is even more apparent where public telephones are tapped. Of 3,588 telephones tapped in 1953-1954 by New York police, 1,617, almost half, were public telephones.¹¹ The same holds true for taps on hotel switchboards, large companies, law firms. It is inevitable that in these cases, only an infinitesimal number of the intercepted calls are made by the suspect or by anyone even remotely connected with him; yet the privacy of numerous other callers is invaded, many of whom may have resorted to a public telephone precisely in order to obtain a privacy not obtainable at their homes or businesses.

The arguments against state wiretapping and eavesdropping authority are even stronger. In the first place, telephone communication is frequently interstate; permitting each state to decide for itself whether to authorize its law enforcement officers to wiretap will inevitably result in wiretapping the telephone conversations of people who reside in states where law enforcement officers may not wiretap. Thus, if someone in the District of Columbia, Illinois, Pennsylvania, California or Michigan is called by someone or makes a call to someone in New York or Massachusetts, and the latter's telephone is being tapped, the privacy of the former will be invaded even though he did nothing but place or answer a telephone call, and this no matter how irrelevant the conversation may be to the purpose of the tap.

Furthermore, the record is full of abuses of the right to wiretap by state and local officials. Most bills authorizing state wiretapping set either no limit or the broadest of limits on the crimes for which a tap may be imposed.

Moreover, the legitimization of wiretapping will inevitably produce an increase in the number of states where wiretapping is used. At present, most states prohibit wiretapping for law enforcement and other purposes. Testimony before the United States Senate Judiciary Committee in 1962 indicated, however, that if the bill passed, wiretapping authority would immediately be sought in other states, such as Pennsylvania, Florida and Connecticut. The *reductio ad absurdum* was reached when a district attorney from Iowa testified that although there was no real problem of organized crime in his state, wiretapping "would be a valuable tool in Iowa to help us in solving some of the crimes that we have."

ARGUMENTS FOR WIRETAPPING

The arguments favoring wiretapping turn essentially on a few propositions: 1. wiretapping is necessary to fight organized crime, particularly gambling, which is the lifeblood of organized crime; 2. In recognition of the dangers to privacy, wiretapping is used very sparingly; 3. There are no abuses to speak of, especially under a system of strict judicial control such as we have for more conventional searches and seizures.

Interestingly enough, there have been few statements defending the use of electronic eavesdropping.

District Attorney Frank S. Hogan of New York, certain other prosecutors, Chief Judge J. Edward Lumbard of the United States Court of Appeals for the Second Circuit, and others have long contended that wiretapping is indispensable to fighting organized crime. District Attorney Hogan has named many racketeers and gangsters who, according to him, could not have been brought to justice without wiretapping, and Judge Lumbard has declared:

¹¹ Note, "Wiretapping in New York," *N.Y.U. Law Review*, vol. 31 (1956), pp. 197, 210 n. 96.

"In New York's prosecutions against organized crime, commencing in 1935 with the Special Rackets Investigation under Thomas E. Dewey and continuing under District Attorney Frank S. Hogan, the single most valuable weapon has been electronic surveillance. And the President's Commission [on Law Enforcement and Administration of Justice] notes that "Only in New York have law enforcement officials achieved some level of continuous success in bringing prosecutions against organized crime."¹²

The need for wiretapping is based in part on the nature of the crimes involved. The leaders of organized crime do not dirty their own hands with public acts of criminality. Instead, they use telephones and other modern scientific devices to plot and direct crime. Moreover, gambling is the lifeblood of organized crime and it can be fought effectively only by wiretapping. And as to other crimes like bribery, extortion and the like, wiretapping is equally essential. As examples, District Attorney Hogan has given the following: ". . . state wiretapping has been the only means available, in many instances, to uncover major larcenies and frauds, in which the telephone served as the instrument of the crime. Wiretaps were used by my office in successfully prosecuting a half-million dollar stolen bond ring led by one Irving Mischel, who acted as broker for burglars specializing in stolen securities. His system of marketing these securities was devious and complex. The telephone was an important instrument in his operations. He operated with forgers and other underworld characters, including Irving Nitzberg, an alumnus of Murder, Inc. A wiretap on Mischel's home phone was the prime factor in bringing about his indictment, conviction, and a ten to twenty year prison sentence. In addition, Nitzberg and eight others were arrested and indicted. All pleaded guilty to charges of grand larceny and forgery.

"Wiretap evidence is probably the indispensable weapon in any attempt to deal with fake charity racketeers who operate multi-phone boiler rooms, so-called, from which solicitations of funds bring in fantastic amounts from the gullible public. We have had a great number of such cases and continue to get them.

"I cite one investigation conducted by my office to demonstrate the value of interception in dealing with mob-controlled gambling.

"Wiretaps enabled us to break up an intricate conspiracy involving a ring of crooked policy operators who succeeded in fixing the figures upon which their game was based, so as to reduce their payoffs on winning numbers to a minimum.

"This scheme depended to a large extent upon manipulations of daily clearance figures of the Cincinnati Clearing House and upon a network of daily telephone calls between Ohio, New Jersey, and New York. The use of the telephone to further the criminal conspiracy proved to be the gangsters' undoing—and they were gangsters, not just gamblers."¹³

National security also appears to be an area where wiretapping is claimed to be important. Thus, even the Right of Privacy bill,

¹² Testimony before Senate Subcommittee on Criminal Laws and Procedures, March, 1967.

¹³ Testimony before Senate Judiciary Committee, 1962. It should be noted that law enforcement officers are not uniform in their praise of wiretapping. Thus, the Attorney General of the United States, Ramsey Clark, has declared that wiretapping is not indispensable. For the views of others see Herman Schwartz, *The Wiretapping Problem Today: A Report by the American Civil Liberties Union* (1965).

microphone was found in a room in the Mayflower Hotel. Shortly thereafter it was reported in the *Washington Post* that "the United States Attorney General's office which is investigating the mysterious Mayflower 'bugging' case has had some quiet checks made of its own telephone lines against electronic eavesdropping. . . . The security drive has spread to almost everyone connected with the Mayflower case. Lawyers and private detectives in the case have had their telephones checked or have checked them personally in search of tapping devices."

⁹ For reports of such tapping, see William J. Fairfield and Charles Clift, "The Wiretappers," *The Reporter*, December 23, 1952, pp. 19-22, and the recent hearings before the Senate Administrative Practices and Procedures Subcommittee, February, 1965.

¹⁰ Westin, "The Wiretapping Problem," *Columbia Law Review*, vol. 52 (1952), pp. 165, 188 n. 112 (emphasis added).

which seeks to outlaw most wiretapping and eavesdropping, allows these practices for national security purposes; in 1967 some 38 such taps were said to be in effect. Moreover, such taps have been installed without judicial approval and any attempts to impose such judicial controls have been resisted by all attorneys general, though some state prosecutors who generally favor wiretapping have criticized the exception from judicial control for national security eavesdropping as unnecessary and unwise.¹⁴

It has been urged further that wiretapping and eavesdropping are simply additional investigative techniques, more effective but no different in kind from more conventional methods like the use of informers, conventional searches and personal eavesdropping, and the like. And, it has been argued, if we allow such methods—and law enforcement purportedly cannot do without them—we should not hesitate to allow more modern and effective devices. But it seems clear that the differences in degree are so great as to be differences in kind.

Despite its alleged utility, however, those who favor its use contended that wiretapping is used quite sparingly. The statistics published by the district attorneys of New York and Kings Counties show an average of about 110 orders per year for the period 1950–1959, with 21 orders in 1964 in Kings County covering 29 phones. The New York City police obtained 124 orders in 1958, 225 in 1959, 451 in 1963 and 671 in 1964.

These figures do not really seem small. The enormous increase in police wiretapping is especially obvious and startling. Thus, at least 335 orders were obtained in New York City in 1959, covering more than 500 telephones, for an order frequently covers more than one telephone. Since one tap catches many, many people per day, especially taps on business and public telephones—and perhaps 45 to 50 per cent of the telephones tapped are such public or business phones—these orders produced an invasion of the privacy of thousands of people every day.¹⁵

Moreover, there is ample evidence of much unauthorized police wiretapping throughout the country.¹⁶ Much of this unauthorized eavesdropping is resorted to as surveillance and sampling tapping, on the basis of which an application for an order can be framed if the tap turns up useful information. Indeed, the very vigor of the claims for the indispensability of wiretapping by New York District Attorneys Hogan, Silver and O'Connor makes it difficult to understand their claims of infrequent use. At one point, District Attorney Hogan called wiretapping "the single most important weapon in the fight against organized crime" and declared that without it "law enforcement in New York is virtually crippled in the area of organized crime." He then submitted a table showing use in only 20 to 22 investigations a year for 10 years, even though his office handled some 34,000 matters a year during that period. It

¹⁴ See testimony of former Brooklyn District Attorney Edward S. Silver, in 1955 House Judiciary Committee Hearings on Wiretapping, at pp. 97–98.

¹⁵ The statistics and their sources appear in Schwartz, *op. cit. supra* n. 13, at p. 15.

¹⁶ See Samuel Dash, Robert E. Knowlton and Richard F. Schwartz, *The Eavesdroppers* (New Brunswick, N.J.: Rutgers Univ. Press, 1959), pp. 39–73, 122, 151, 168, 217, 247; Fairfield and Clift, "The Wiretappers," *The Reporter*, December 23, 1952 and January 6, 1953; Westin, "Wiretapping: The Quiet Revolution," *Commentary*, May, 1960, pp. 333, 337; Westin, "The Wiretapping Problem," *Columbia Law Review*, vol. 52, pp. 195–96; also Attorney General Robert Kennedy, *Look Magazine*, March 28, 1961. *The Eavesdroppers* is the most thorough study yet made of wiretapping practices in the United States.

is thus easy to understand New York Congressman Emanuel Celler's trenchant comment:

"If you have a method which is so easy . . . I cannot conceive how in ordinary circumstances the police wouldn't avail themselves of that very facile method of detecting crime."

"On the other hand, it is argued that the availability of legal wiretapping will cut down the amount of illegal wiretapping and put it under judicial control. Moreover, a clear legitimization of the law enforcer's right to tap will make it easier for him to go after the illegal tapper. And, it is urged, there are no complaints in New York of either abuse of wiretapping authority or of the conviction of an innocent person because of wiretapping.

It is urged also that judicial controls are adequate, although an extensive two-year study concluded that: "the experience of the statutes throughout the country providing for judicial supervision has been very bad. Law enforcement officers have had no difficulty obtaining a court order when they wanted it. Judges who are 'tough' are just bypassed. In addition, police officers have shown . . . impatience with the . . . system and . . . engaged in wiretapping without a court order. . . ."¹⁷

The law enforcement officers have argued, however, that since the conventional search is adequately controlled by a court order system, wiretapping and eavesdropping can also be adequately controlled. This analogy to conventional searches seems dubious, however. In the first place, a search warrant can limit a conventional search to a specific place or object. Usually, other evidence that is seen, no matter how relevant, cannot be seized, unless its possession constitutes a crime or it is closely related to the items specified. But a wiretap cannot possibly be so limited, for there is no way of limiting the person, place or conversation to be seized, even though the particular telephone is specified.

Moreover, the greatest spur to careful judicial control of searches is the virtual certainty that if anything useful turns up, the propriety of the order will be challenged; a conventional search cannot be kept secret. But a wiretap can remain secret and thus the propriety of the order is likely never to be tested, for it is usually almost impossible for a defendant to find out if he was subjected to a tap. This inevitably makes and has made for lax judicial scrutiny of the applications, especially where judges are overworked and otherwise unable to make a close study.

The real issue is whether the needs of law enforcement justify a good deal of relatively uncontrolled wiretapping. This problem will not easily be resolved. The present bills in Congress seek such a resolution in a variety of ways: the administration proposal seeks to bar most wiretapping and eavesdropping and the manufacture and sale of equipment to be used primarily for such uses. Other bills permit varying amounts of wiretapping and eavesdropping under varying degrees of judicial control. It is highly unlikely, however, that any of these bills will be enacted; so, once again, we will have to rely on judicial solutions. Here, there are some hopeful signs that in the future the courts will face the problems more realistically.

NOTE.—Herman Schwartz is the author of *The Wiretapping Problem Today*, a 1965 American Civil Liberties Union report, and other publications on criminal law and civil rights.

¹⁷ Testimony of Samuel Dash before the 1962 Senate Judiciary Committee Hearings on the Attorney General's Program on Wiretapping, at pp. 104–05.

COMPREHENSIVE PLANNING

Mr. SCOTT. Mr. President, today, in testimony on proposed housing and urban development legislation before the Housing and Urban Affairs Subcommittee of the Committee on Banking and Currency, the Chamber of Commerce of the United States offered some useful insights and constructive comments on the value of comprehensive planning at all levels of government. I note with pleasure the favorable references in the chamber's statement to my proposed Comprehensive Planning and Coordination Act of 1967, introduced last February as S. 799 and offered last April as amendment No. 165 to S. 1445. I ask unanimous consent that the section of the chamber's statement dealing with planning be printed in the RECORD.

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

PLANNING AND IMPLEMENTATION

The National Chamber recognizes the vital need for comprehensive planning as a valuable tool to be used by local citizens in helping them to attain their goals for their area. Certainly, as our society becomes increasingly complex, the need for comprehensive planning becomes even more apparent.

While comprehensive planning is still relatively new, sufficient experience has been developed to provide some principles of sound planning upon which there is widespread agreement among planners and non-planners alike. Since we are considering several bills dealing with comprehensive planning today, a brief review of some of these principles may be in order.

1. Since community problems encompass social and cultural needs, as well as physical needs, and since these needs are highly interrelated, it is generally agreed that public planning must go beyond simply planning for physical needs.

2. Problems do not recognize governmental boundaries. Often several governmental jurisdictions are seeking solutions to interrelated problems. Therefore, sound public planning may need to encompass broader geographic areas—at the least, the planning of the several jurisdictions should be well coordinated.

3. Obviously, plans must be implemented if they are to serve a useful purpose. Implementation is highly dependent upon the plan being acceptable to the people. While there are various ways of gaining this acceptance, the National Chamber believes that one of the best ways is to involve local citizens in the development of the plan. Over three thousand local chambers of commerce in the United States have long recognized that greater support for implementation of their programs is attained if the majority of members have been involved in the formulation of the program. We believe that this same principle has application to comprehensive planning. At the very least, the plans developed should reflect the needs and desires of the people of the area. This implies the necessity for public planning to be performed by the levels of government closest to the people. Where Federal financing of planning is involved, the actions of the local people should not be unduly restricted.

4. Comprehensive planning involves the systematic analysis of the needs and opportunities of the area and the establishment of priorities based on an objective analysis of the costs and benefits of each proposal. Emphasis on qualifying for Federal planning assistance may, in some cases, result in the inclusion of certain proposals in local plans that would otherwise have a low local prior-

ity. Thus, proposals to provide Federal planning assistance should involve a minimum amount of Federal requirements to qualify for the assistance. One means of accomplishing this objective would be using an alternate approach, such as block grants or revenue sharing, as a substitute for Federal categorical urban development grant-in-aid programs.

5. Continuity of effort seems to be of significant importance to the development and implementation of a sound comprehensive plan.

The attainment of sound comprehensive planning is not an easy task. The cooperation and financial support of all levels of government may be required. Unnecessary and unduly restrictive requirements presently included in government planning programs ought to be eliminated.

States should act, where necessary, to ensure that entire metropolitan areas can exercise competent planning and implementing authority; that related jurisdictions can proceed jointly on mutual interests; and that, in order to meet the needs of non-urbanized areas and of regions, the states play central roles in coordinating comprehensive planning activities and in channeling federal financing.

The present basic federal comprehensive planning legislation, Section 701 of the Housing Act of 1954, requires some substantive changes in order to facilitate the development and implementation of sound comprehensive plans. Some of these changes are proposed in Housing and Urban Development amendments of 1967 (Title II of S. 1445).

First, Section 209 of S. 1445 proposes changes in the language of Section 701 to recognize the fact that, in practice, comprehensive planning grants have been made to units of governments other than cities. In view of the second principle of sound planning, discussed above, this trend towards multi-jurisdictional or district planning appears to be a healthy one, and one which should be encouraged. Accordingly, we support those changes in Section 701 encouraging the establishment of planning districts.

Secondly, we believe that language changes proposed for Section 701 which, in effect, expand the scope of comprehensive planning to encompass social and cultural needs as well as physical needs will make the program more consistent with the broad needs of the community. Therefore, we support these changes.

The present 701 program is superior to many federal categorical grant-in-aid programs in placing reliance on state and local decisions. Even so, the qualifying restrictions still appear to be excessive. Moreover, the amendments proposed in S. 1445 appear to open the opportunity for more rather than less federal involvement and control and thus would tend to further reduce the involvement of local citizens in the development and implementation of comprehensive plans.

Therefore, we recommend certain changes in the legislation before this Committee:

1. We recommend deletion of the last two sentences of Subsection 1(e) of the revised Section 701 which state, "He shall particularly consult with the Secretary of Agriculture prior to his approval of any district planning grants under Subsection (a) (6). The Secretary of Agriculture may provide technical assistance, with or without reimbursement in connection with the establishment of such districts and the carrying out of such planning."

The responsibility to provide, or to make arrangements to provide, technical assistance to district and regional planning agencies should remain with state planning agencies. This assistance is already being provided in

most states and there is no need for a Federal agency to perform this function.

2. To place greater reliance on state and local governments, the boundaries of multi-unit districts and regions for comprehensive planning should be determined by state planning agencies.

While the language of Section 209 of S. 1445 implies such a determination, we suggest that this point be clarified. Reliance on state planning agencies for the determination of these boundaries is the most effective way to coordinate state and Federal programs and to avoid unnecessary duplication and overlapping. Moreover, only the state governments are in a position to determine the appropriate designations. Specifically, we recommend that the term, "and acceptable to the administrator," in Section 1(a) (2) be deleted and that clarifying language be added to the final paragraph of Section 1(a).

The adoption of these two recommendations along with the amendments to Section 701 proposed in S. 1445 would result in significantly improved federal legislation for comprehensive planning. However, even more substantive changes are needed if we are to attain the goal of making the most efficient and effective use of comprehensive planning as a tool for progress.

Amendment No. 165 to S. 1445 providing for a new title, Comprehensive Planning and Coordination, goes much further in providing realistic federal legislation to encourage comprehensive planning. For instance reliance is placed upon state and local direction and control. There is heavy emphasis on providing a framework of goals, policies, and standards within which planning for various functions can be directed and coordinated. Systematic analysis, consistent with the federal government's program, planning, and budgeting program, is encouraged through the use of supplementary grants. Coordination of plans is achieved at the state level and at the district level by review of separate plans. Development of statewide comprehensive planning and area-wide comprehensive planning in metropolitan areas is encouraged through the annual allocation of federal funds to these units. Continuity of the planning process is also encouraged through this device.

Amendment No. 165 also calls for better coordination of planning grants at the federal level. Certainly this is vitally needed. In our judgment, the amendments to Section 701 contained in S. 1445 tend to increase coordination problems at the federal level. Certainly, mandating that the Secretary of Agriculture be brought in on the establishment of districts is a move away from better coordination and toward heavier federal control and more fragmentation.

Section 2 of S. 1589 makes Section 201 of the Demonstration Cities and Metropolitan Development Act of 1966 applicable to rural as well as metropolitan areas. To the extent that the demonstration cities program is implemented, we see little justification for limiting the application of this section to urban areas. Certainly, rural areas should be treated equitably. However, we want to emphasize that the entire demonstration cities program could be improved by lessening the Federal "strings" in the existing categorical grant-in-aid programs that have proven to be unsatisfactory. Here, again, consideration should be given to alternatives, such as block grants or revenue sharing, in lieu of these categorical grants-in-aid.

One of the principles listed at the beginning of this section dealt with the importance of determining costs and benefits if rational choices were to be made from among alternate approaches to solving problems. This, we believe, is a relevant perspective from which to examine S. 2100, the Urban Development Act of 1967.

Costs under this bill—which certainly represents a new line of approach to big city housing problems—do not seem to be clearly evaluated. These costs involve not only the direct government expenditures, but also the revenue losses stemming from reduced tax collections.

Knowledge of the extent to which tax receipts might be reduced (at federal, state, and local levels) by property tax abatements, tax credits, and depreciation changes would be helpful in evaluating this proposal.

CONNECTICUT'S DIRECTOR OF ECONOMIC OPPORTUNITY

Mr. RIBICOFF. Mr. President, the poverty program needs friends to see that it is administered effectively on the State level. In Connecticut it has such a friend—Joseph P. Dyer, director of the Connecticut Office of Economic Opportunity. Mr. Dyer has done an outstanding job as a spokesman for all those concerned with the problems of poverty. He deserves recognition for his fine work as a friend of the poverty program and more importantly as a friend and active worker for the poor. Under unanimous consent I include an article, "War on Poverty a Clean Fight," by Charles Morse, of the Hartford Courant, to be printed at this point in the RECORD.

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

WAR ON POVERTY A CLEAN FIGHT (By Charles F. J. Morse)

While the War on Poverty has run into scandal and bitter political fire fights in other states, Connecticut has thus far remained clean and progressive.

No one can take greater credit for the state's record than Joseph P. Dyer of Manchester, director of Connecticut's Office of Economic Opportunity.

And no one is more aware that the situation could change over-night.

Dyer is tough, fearless and totally committed to the fight against poverty. He has fought both political machines in various communities and has taken on the so-called "establishment" in others.

Connecticut, thus far, has remained clean.

Dyer is a man who makes waves. His public criticism has won him enemies. He is a rough fighter for the poor. They need such a man.

Last week Dyer was invited to present his views on the War on Poverty to the House Committee on Education and Labor in Washington. He gave it to them straight.

"WAR" VETERAN

"I am a 33-month veteran of the Poverty War, appointed by Gov. Dempsey with a mandate to insure that federal poverty dollars coming into Connecticut were properly spent.

"I have attempted, with a staff of four, to play watch-dog on funds coming to individual communities, agencies and institutions, amounting to nearly \$33 million," he told the congressional committee.

"I am known as a curmudgeon within the Office of Economic Opportunity (OEO), and it is to their credit I have been tolerated," he added.

Dyer's major recommendation to Congress was to give more control to the states over local poverty spending. He stressed that the only control at present is a governor's veto, which can be over-ridden by the national director, and the press.

LITTLE CONTROL

He expressed concern that so much money—\$33 million—can pour into Connecticut with so little state control.

"For example, no contract was made with any Connecticut state official regarding the allocation of the state's share of \$75 million in special money this Congress appropriated in May for special summer programs.

"Our state was accorded \$235,000 in five locations. This same allocation, in our opinion, to a larger number of localities might have more properly attained the ends you seek," he told the committee.

The Neighborhood Youth Corps, administered in the U.S. Labor Department but using OEO money "has also become infected with this state by-passing tactic and is making assignments on the basis of its own determination without recourse to any state office," he reported.

LESS MUSCLE

Dyer stressed that under the Economic Opportunity Act a state director, such as himself, "has little muscle to impose regulations, has no responsibility for evaluating results and is considered as an afterthought by most OEO Washington and regional office personnel.

"There has never been a formal calling together of the 50 state technical directors," he reported. "Despite the pleas of many of the directors of New England, we have never been called together in the Region 1 Office in New York," he added.

And yet, \$33 million has flowed into Connecticut since the War on Poverty began.

This bugs Dyer. Should some of this money end up illegally in the pocket of a local OEO official it will be the state director and the governor who will take the blame and swing for it, not the federal OEO program and the system.

Connecticut's OEO chief was also critical of the failure on the part of Community Action boards to take advantage of volunteers agencies which could reduce costs and greatly enhance the spirit of dedication of paid staff members.

"To attempt to fight poverty by ignoring the efforts of the many thousands of volunteers associated with church groups, youth groups, fraternal and civic organizations and the business sector has proved to be the greatest weakness of current Community Action in Community," he told the committee.

Dyer has long maintained the position that the less money spent for administrative salaries means the more money for the poor. He has been challenged for this view but he refuses to budge.

FAVORS VOLUNTEERS

He also feels that there could be a lot less spent for staff salaries if Community Action groups turned to volunteers.

Dyer told the committee that Mrs. Chase Going Woodhouse of the Women's Service Bureau of Hartford and a former congressman "has worked with us in urging the use of volunteers by Community Action groups, and whose bureau could muster the volunteer hands needed."

Almost at the same time Dyer was stressing this point to the congressional committee, a local Community Action body announced the hiring of 30 people for summer work.

Included in his remarks to the committee was his interpretation of the goals of the War on Poverty as set by Congress:

"To get people off welfare roles; to stand a man and his family not on the moon, merely on their own feet, by improving their skillwise and educationally so they can compete equally with their neighbors in the job world; to loosen them from the bonds of discrimination which have kept them at the bottom of the job ladder and to so improve the education of the young that they will have a real Head Start instead of the late start the economically disadvantaged were getting.

"A final congressional goal seems to us to be for poverty agencies to serve as a voice of the poor," he declared.

Dyer, himself, has been the poor's most effective voice in this state.

Connecticut has thus far remained clean.

THE RENT SUPPLEMENT PROGRAM

Mr. MUSKIE. Mr. President, without resolute support by the Senate for the rent supplement program, this promising new concept for meeting the housing needs of poor Americans may be lost. With it would go the aspirations of thousands of slum dwellers. Left would be frustration and anger, not only in those persons for whom the program was designed, but also in hundreds of city halls across the country.

In 1965, when the rent supplement program was authorized, and in 1966 Congress appropriated a total of more than \$30 million for 405 projects in more than 250 communities. When completed, the projects will contain nearly 35,000 dwelling units for more than 100,000 persons.

This year, President Johnson requested \$40 million in additional funds to house another 100,000 persons. At best, this represented only a modest extension of the program. However, the House Appropriations Committee cut the request to \$10 million, and the House itself eliminated even that.

Mr. President, the appropriation sought by President Johnson for this program would represent only 0.0003 of a percent of total Federal spending for the year. Housing is one of the most personal and immediate needs of any family. If a public investment of this fractional amount can materially improve the quality of life for 100,000 of America's most impoverished citizens, that benefit is worth every cent of the investment.

Furthermore, if we allow this program to expire, after Congress has funded it for 2 years and after the initial response to it has been positive and encouraging, what Federal program is safe from irresponsible appropriations cuts? How can we expect cities to support other urban programs of social rehabilitation?

The most discouraging aspect of the House action is that it came after the program has begun to generate genuine enthusiasm and progress. Positive reaction to the program has been reported in newspapers across the Nation.

For example, last May 19 the Paterson, N.J., Morning Call said:

The rent-supplement proposal is worth a decent trial . . . At zero, which is what the House has now voted, it is a demonstration of the democratic process to encourage summer heat, slums and cynicism.

Here in Washington, the Post, on the same day, said:

The House has broken faith with mayors and city councils all over the United States. . . . The issue now is whether the Federal Government intends to uphold any part of the bargain that it has offered the American cities in the last three years' legislation creating massive and complex joint ventures in social renewal.

On May 22, the Washington Evening Star made this appraisal:

The rent supplement program's goal is to

encourage a wholly new approach to subsidized public housing—a sounder, healthier and possibly cheaper approach than the huge institutionalized public housing projects. . . .

Mr. President, many other favorable editorials and stories on the need for and progress of the program have been published in metropolitan newspapers across the country. I ask unanimous consent that a sample of these, from Denver, New York, Minneapolis, Lorain, Ohio, and elsewhere, be printed in the RECORD.

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

[From the Washington Post, May 19, 1967]

BROKEN BARGAINS

The Nation's housing policy has been severely damaged by the votes in the House of Representatives this week. The House has broken faith with mayors and city councils all over the United States. Last year, in passing the Demonstration Cities bill, it promised them broad new sources of Federal aid to carry out what amounts to social renewal of the slums. Now, in passing the appropriations, it has reduced the actual funds to a point at which they amount to little more than a derisive gesture.

No doubt the Senate can increase somewhat the money for Demonstration Cities, perhaps it can even revive the rent supplements. But the real damage has been done. Congress obviously does not understand it, and even the Administration seems to perceive it only dimly, but the massive new Federal-urban programs are turning out to be very dangerous for the cities. The Federal Government keeps renegeing on its promises of money, leaving the big-city mayors with staffs, plans and local commitments that they cannot sustain. It is the mayors, not the Appropriations Committees, that will pay the political price for the failures.

Building cities is not like building dams or aircraft carriers. Cities are not Federal operations to be authorized today and carried out whenever money becomes available. Under the Demonstration Cities Act, a city must sign a binding agreement that will run a decade or more into the future. It must commit itself to a plan that will run beyond housing to involve new roads, transit, schools, parks or hospitals. It commits local budgets and local bond issues. The plan will specify new social policies that may seem, to the mayor's constituents, highly unorthodox. He can justify them politically only with the additional Federal funds that they will bring. When Congress whacks off the appropriations, the mayor is stuck with all of the policy and all of the commitments but none of the money.

Most of the votes against the housing appropriation were Republican, but the most influential opposition came from Congressman Mahon of Lubbock, Texas, who thinks poorly of investing public money in Demonstration Cities or, for that matter, in any cities. The voting in the House this week was particularly disquieting because these roll calls were the first and precedent in a series that will include the destructive Quie Amendment to the Education Act next week, and beyond that the appropriations for the Education Act and all of the annual legislation for the war on poverty. These three great programs bring essential resources to the distressed centers of the big cities. The central cities are not heavily represented in Congress; reapportionment is mainly benefiting the suburbs.

The war on poverty is currently being funded at hardly more than half the level that the cities had originally been told to expect. Now, after some 200 cities have signed plans under the Demonstration Cities Act, the money is cut to barely a third of Congress's own promise last fall. The coming

battle over allocation of school money has been gathering momentum in the House for weeks.

The issue now is whether the Federal Government intends to uphold any part of the bargain that it has offered the American cities in the last three years' legislation creating massive and complex joint ventures in social renewal. The present pattern of congressional votes forces the cities to ask themselves whether any of these vast Federal-urban operations are viable under the traditional capricious style of congressional appropriation.

[From the Denver Post, May 18, 1967]

DENVER TO FEEL EFFECT OF RENT PLAN'S DEATH

(By John Toohey)

Denver's elderly and poor will suffer if Congress fails to pass a rent supplements bill, Denver Urban Renewal Authority (DURA) officials and others concerned with the problem agreed Thursday.

Lee Johnson, special aide to Mayor Tom Curran on urban renewal, called the House scuttling of the rent subsidies bill Wednesday "a tragic thing, especially for the old people in the Skyline area."

"We were just beginning to function in this area (rent supplements)," Johnson said. "But now, with the program cut out for next fiscal year, it will be most difficult to carry on."

AVONDALE, WHITTIER

J. Robert Cameron, DURA executive director, said rent subsidies in the Avondale and Whittier School urban renewal areas will be saved because reservations for supplements have been made under present funding.

Cameron said the Good Americans Organization already has made application to the Federal Housing Administration (FHA) to build housing in the Avondale district with the financial help of Mortgage Investments Co. of Denver.

He said DURA and FHA also have been working with a group in the Whittier area for subsidies there.

Robert Boucher, a vice president of Mortgage Investments Co., confirmed his company has been working with the Good Americans Organization on an application for rent supplements in Avondale.

"From our standpoint as mortgage bankers," Boucher said, "we support rent supplement programs, because they provide an alternative for private enterprise to take part in the serious problem of housing for the poor."

"Needless to say, we were very disappointed to see the program beaten down Wednesday," he said.

The problem of providing housing for the poor and elderly "is there and it won't go away" without a great deal of constructive action, Boucher said.

LAST ALTERNATIVE

The only alternative left now, Boucher said, is for federal government financing of public housing "to which mortgage bankers are philosophically opposed. The program would subsidize people, not real estate."

"What precipitated this drastic attitude in Washington, I don't know," Boucher said.

He said he was going to Washington next week to discuss the problem with Sen. Gordon Allott, R-Colo., and with other congressional leaders.

Cameron said, "Our concern in DURA is that this may have far-reaching effects on any efforts we may make for the poor and elderly in Skyline."

Rent supplements, he said, were supposed to be the answer for private enterprise to get involved in the problem of housing.

"We're going to house these people and do it decently," he said, but added that most of the work now must come through federal public housing loans at 3 per cent interest over 50 years.

"This action is most unfortunate for those who need it the most," he said.

[From the Washington Evening Star, May 22, 1967]

EMPTY VICTORY

On its third annual try, the House Republican leadership has finally managed to shoot down the administration's rent supplement program—and it is a victory in which no one has gained anything.

The rent supplement program's goal is to encourage a wholly new approach to subsidized public housing—a sounder, healthier and possibly cheaper approach than the huge institutionalized public housing projects which too often in the past have proved to be dead-ends for the poor. It does not broaden the scope of public responsibility for the housing needs of the poor. It does not, as Representative Scott of Virginia foolishly charged during the House debate, constitute a threat to "home ownership" or to "family life." And it surely does not, as Representative Ford, the minority leader, implied, impose an oppressive additional burden on the national economy.

The full extent of the "burden," as curtailed by the House Appropriations Committee, would have been a \$10-million bequest for all of next year. Ironically, this modest sum was part of a multibillion-dollar appropriation bill that provided no less than \$275 million in new dollars to finance traditional forms of public housing—and the larger amount was never so much as questioned.

During its three-year life, however, rent supplementation has been a constant source of confusion and controversy in the House. The basis of opposition, in our view, is entirely invalid. But the fact is that the dissection was sufficient to make this element of the Great Society program singularly vulnerable to attack. And the Republican leadership, with a coalition of solid southern support, could hardly wait to cut it down.

This is a strange way to build an image of Republican interest in urban problems, and to break the party's coalition with southern Democrats in Congress. Both goals were loudly proclaimed by Gerald Ford no less than a week ago.

The victims of the House action that concern us are not politicians, however, but the cities which have counted on the rent supplement program's continuation. New applications for participation are pouring into Washington at the rate of 5,000 a week, and the small sums made available previously to get the program started are all committed. The only hope of salvage rests now with the Senate.

[From the Paterson (N.J.) Morning Call, May 19, 1967]

NO RENT MONEY

Only a few days ago the Republicans were trumpeting that as a theoretical proposition they are going to end their coalition with Southern Democrats. Strategy for next year's elections, they explained. Now, as a practical matter, they have joined with Southern Democrats in the House to defeat the niggardly rent-supplement program. The program would enable the Department of Housing and Urban Development to make commitments to nonprofit sponsors of new or rehabilitated housing projects under which the agency would pay a portion of the rent of poor tenants. The tenant would commit at least a quarter of his monthly income to rent, and the difference would be met with federal funds. The bill defeated in the House 232 to 171 carried an appropriation of \$10 million—remember what Vietnam is costing—which was \$30 million less than President Johnson sought. The 232 votes to defeat the bill came from 163 Republicans and from 69 Democrats of whom 63 were from 11 Southern States.

If we are going to eliminate slums and long hot summers, if we are going to give

thoughtful young people reasons for embracing the principles of the society so many of them now reject, an attack on subhuman living conditions is imperative. President Johnson's rent-supplement plan was small even at \$40 million. At \$10 million it was hardly more than a tentative nod at a critically important problem. At zero, which is what the House has now voted, it is a demonstration of the democratic process to encourage summer heat, slums, and cynicism. Yet it does have a rationale. New Jersey's representative on the board of the National Association of Manufacturers, John F. Betts, put it this way:

"The predominant need, in the face of Vietnam and economic hazards at home, is for a stricter definition of today's necessities. We must abandon the crash psychology that we can solve all human ills by massive doses of instant money."

Mr. Betts was dealing with the situation in general, not with the rent-supplement proposal, and the kernel of his plaint was that more of us ought to be writing our congressmen demanding frugality.

The slums are not good enough for the people who are caught in them. The rent-supplement proposal is worth a decent trial. We can still hope that the Senate can save the program and provide the House a chance to redeem itself. As Mr. Betts suggests, a note to Senator Williams and Senator Case might be in order.

[From the Washington Afro-American, Feb. 25, 1967]

RENT SUPPLEMENTS KEY TO HOUSING

There are many groups in the Washington area which like to provide decent housing for the unfortunate. The federal rent supplement program in the District still has funds available.

The Federal Housing Administration (FHA) has some \$128,000 on hand for use in the Washington area. Any non-profit, limited dividend or cooperative organization is eligible for these funds.

The funds will be used to pay a portion of the tenant's rent and will permit FHA to contract with sponsors of privately owned, low-income housing.

Rent supplement is the key word in this program. FHA allows the family that would not ordinarily be able to get decent housing at low rates to do so and pay only 25 per cent of its total income in rentals.

FHA will see that the landlord gets the balance. Two groups that have already capitalized on the program are a United Church of Christ unit in Silver Spring, and the Presbyterians Incorporated to Conserve Housing (PITCH).

PITCH has won approval for \$27,600 in rent supplement funds for a 26-unit apartment building it is renovating in the 1400 block of W St., NW.

The apartment house, known as The Susquehanna, will feature spacious and redecorated units, with modern kitchens and baths.

Target date for the completion of the renovation project, which started February 1965 is next September. Some residents still live in the building, while other apartments are being remodeled.

PITCH—comprised of groups from the Fifteenth Street and Georgetown Presbyterian Churches—hopes to renovate more housing, after the Susquehanna is completed.

But the next supplement program is not restricted to remodeling. The Church of Christ group is engaged in construction.

With bright colored interiors and modern equipment PITCH does not feel that its sole responsibility is the provision of shelter.

With Mrs. Clarence McMillan appointed as chairman of a Tenant Relations Committee, the group has seen fit to see that tenants take pride in their residence.

Mrs. McMillan said she will work with them on the many ways to keep their homes

looking attractive. Only in very serious cases, she said, will any one be evicted for failing to care for the apartments.

All the FITCH personnel are optimistic about their project, anxious for the day when work is completed and tenants are actually benefited.

Others interested in sponsoring low-income housing through the rent supplement program may contact Mrs. Gwendolyn Brooks, at the FHA Issuing Office, 400 First St., N.W., Washington, D.C., 20412; telephone 386-6146.

"This new supplement program," said Fred A. Mann, FHA District Insuring Director, "will give many low income people a chance to live in decent, safe and sanitary housing without being isolated from the rest of the community and without threat of eviction, when their incomes increase to the level where they no longer need assistance."

He said the housing units will be insured under the FHA's Section 221(d)3 program and will be privately built, owned and managed by nonprofit limited dividend or co-operative organizations.

Housing for the elderly under this program may also be financed under a Section 202 direct loan program or under the FHA Section 231.

"We are looking," said Mann, "for a substantial amount of private capital to flow into the construction of low income housing under the program, which President Johnson has described as the most crucial new instrument in our effort to improve the American city."

To be eligible, a project must contain at least five dwelling units located in detached, semi-detached, row, walkup or elevator structures. The housing may be new construction or major rehabilitation of existing structures.

All rent supplement projects must meet the FHA Minimum Property Standards. Also, they must be of modest design in order to keep construction costs at a minimum.

Basic maximum limits on gross rentals for units of different sizes have been established as follows: \$85 for no-bedroom units, \$105 for one-bedroom units, \$120 for two-bedroom units and \$140 for units with three or more bedrooms.

In areas where suitable housing can be produced for lower rentals and the basic limits, this will be done. In high cost areas the maximum rentals may be increased up to 25 per cent above the basic limits where necessary.

[From the Minneapolis Star, Jan. 20, 1967]

RENT SUPPLEMENT PLAN FINDS TAKERS

(By Dick Caldwell)

Several Minnesota organizations have been quick to take advantage of the rent supplement program now getting under way across the country.

Eight existing housing projects in the state are already in the program and proposals for three new projects are being reviewed by the Minneapolis office of the Federal Housing Administration (FHA), the agency responsible for the program.

All three proposed projects would be in the Twin Cities. One of them, still quite tentative, would be built by a labor union and consist of about 200 units. Another, of 96 units, would be church-sponsored. The third, 141 units, would be built by a limited-dividend corporation.

Several other applications were submitted to the Minneapolis office Thursday, an FHA representative reported.

The rent supplement program is one of President Johnson's Great Society favorites. He once described it as "the most crucial new instrument in our effort to improve the American city."

It is tailored for low-income families and individuals. They must pay 25 per cent of their income for rent and the government then makes up the difference between this

amount and the full market rent for the unit in question. The Federal payments are made directly to the project owners, who can be a private nonprofit organization, a co-operative housing corporation or a limited dividend mortgagor.

The eight Minnesota projects that have come into the program all house elderly persons. Most are sponsored by religious organizations and all were built under a Department of Housing and Urban Development program for the elderly, financed by 50-year loans at 3½ per cent interest.

Two of the projects, Redeemer Arms and Central Towers, are located in St. Paul. The others are in Duluth, Elk River, Glenwood, Montevideo, Litchfield and Austin.

Because they were not built under the rent supplement program, only 20 per cent of the 148 units involved are eligible for the supplements. A project started under the program can obtain supplements for all eligible tenants, but it is hoped that sponsoring organizations will open 40 to 50 per cent of their units to tenants who can pay the full market rent.

One reason for this is that the architects of the program would like a good "mix" of tenants of various ages, racial and ethnic backgrounds and income levels. They would like, as one FHA official put it, to "assimilate people of lower income groups into the mainstream society."

It may be that some experienced developers will be altruistic enough to participate in the program, but they will be tangling with a lot of restrictions. Their earnings will be limited, as in the 221(d)3 program for low and moderate income families.

The rent supplement program has a maximum rent limitation of \$140 a month for a unit of three or more bedrooms.

The program requires that all projects be of "modest design," free of such frills as swimming pools and air conditioning units. There can be no more than one bathroom per unit and elevators will be permitted only where the project gets special tax treatment and/or reduced land costs."

At the same time, the projects "should incorporate good design principles and not have features that will contribute to premature obsolescence."

[Letter to the editor, Pittsburgh Post-Gazette, Mar. 17, 1967]

RENT SUPPLEMENT PROGRAM WOULD HELP LOW-INCOME FAMILIES

Your editorial of March 13, entitled "Housing for the Poor," has performed a real public service to your readers by pointing out the need for public subsidy if the problem of ridding our cities of slums is to be solved. We concur.

The editorial has given clear dimensions to the problem of providing good housing for the poor by reporting the sad economic experience of a New York civic group which tried, unsuccessfully, through time-worn conventional methods, to prove that an 80-year-old tenement building could be rehabilitated and rented for a profit.

The lesson of this experience, once again, only points up the necessity of bringing new ideas, new forces, and new techniques into action to solve the problem and eradicate slums in Pittsburgh and other cities of the nation.

In a previous Post-Gazette editorial on January 24, entitled "Save the Neighborhoods," you reviewed ACTION-Housing's proposal for large-scale housing rehabilitation which is aimed directly at revitalizing declining neighborhoods and ridding the inner cores of our cities of their cancerous-like slums. This proposal pays particular attention to the needs, desires and well-being of the people now living in blighted and slum areas.

Unlike the New York experience, it recommends the formation of a joint corporate venture, capitalized at \$3,000,000 to \$4,000,-

000, to engage in the rehabilitation of structurally sound but deteriorating housing in the Pittsburgh Metropolitan Area, on a profit-motivated basis, in cooperation with local, state and federal agencies.

It suggests a partnership between private enterprise and the public sector. Participating companies would purchase common stock or convertible debentures with policies established by a board of their selection.

The participating companies would create a development corporation on a limited-profit basis for the rehabilitation of old but structurally sound housing.

As an integral part, this development corporation would also create a nonprofit research organization to bring new materials, products and innovative construction systems into application.

If the proposal for a development corporation for rehabilitation of housing is to work successfully, it must achieve two objectives: renovate old housing at rents or sales prices that people of low and moderate income can afford to pay; and provide a limited profit return to the corporation.

One way in which both of these objectives could be achieved would be to use the "Rent Supplement Program" which became available to private developers about a year ago. Use of this program would work this way:

The amount of rent supplement is the difference between the normal economic rent required and 25 per cent of gross family income. For example: a family with a gross income of approximately \$35 a week (annual income of \$1,820) would be eligible for a two-bedroom dwelling that would normally rent for \$120. A family with a gross income of approximately \$48 a week (annual income of \$2,496) would be eligible for a three-bedroom dwelling which would normally rent for \$140.

The Urban Redevelopment Authority of Pittsburgh would play an important role in assisting the development corporation by acquiring and selling the old houses to the corporation. Such URA assistance is now possible under present legislation. After acquisition, the corporation would renovate the dwellings on a limited profit basis.

The corporation could then transfer titles to nonprofit organizations approved for mortgage insurance purposes by the Federal Housing Administration.

In addition, federal legislation has also been passed to make it possible to sell the rehabilitated houses to individual buyers, although so far appropriation of funds has only been authorized—not made.

After intensive review of our January 24 proposal, now being carried out by financial representatives of the various interested companies, as well as federal, state and local government representatives, the proposal will be revised for another presentation to top echelons of industry and government. It is our hope that, for the good of all, it is accepted and becomes operable.

The success of this proposal will have great bearing on the future of the so-called Model Cities Program.

J. STANLEY PURNELL,

Chairman of the Board and President,
ACTION-Housing, Inc.

PITTSBURGH.

[From the Baltimore News American,
July 10, 1966]

FHA RENT SUBSIDY TO CHANGE LIFE OF FAMILY

NEW YORK, July 9.—One day later this summer, Mrs. Carmen Cambrelen will fill out Federal Housing Administration form 2501 and sign her name in the box at the bottom.

With that, this pleasant, roundfaced mother of four will become one of the first ordinary citizens to benefit from the controversial new federal rent supplement program.

Many critics in Congress and out have attacked these "rent subsidies"—government

payments for a share of your rent—as a “boondoggle” and a “step toward socialism.”

Mrs. Cambrelen doesn't see it that way. Standing on the steps of the stifling, grimy-brick tenement in East Harlem, where she has struggled to raise her family for the last 10 years, Mrs. Cambrelen said in a soft Puerto Rican accent:

“I think it is wonderful. At least we will have a more decent place to live. All the people here are very happy.”

Next door, at 319 East 102d Street, workmen chopped away the crumbling interior of an identical, six-story tenement.

By fall, No. 319 will be almost completely rebuilt. Only the 80-year-old exterior walls of the original structure will be left.

Inside, instead of 30 cramped hovels, there will be 17 roomy apartments with modern equipment and simple but attractive decor.

By Christmas, if Mrs. Cambrelen's hopes are realized, she and her family will be living in one of the new apartments—despite a rental far beyond her means.

Rent supplements—a new Great Society program launched by Congress this spring—will make the difference.

Here's how the program will work for Mrs. Cambrelen and eventually thousands of others like her:

At present, Mr. and Mrs. Cambrelen and the four children occupy four wretched rooms at 317 East 102d, an “East Side Story” neighborhood where Negroes and Puerto Ricans jostle each other in heat, dirt, and discontent.

The Cambrelens pay \$45 a month rent for their quarters in what a New York housing official called “one of the most ghastly slums in the city.”

When No. 319 is ready, the Cambrelens will be assigned to a five-room apartment. They will pay about \$75 a month rent—one fourth of Cambrelen's wages as a factory worker.

“That's a \$30 a month jump in rent but even that falls far short of the real, so-called “economic rent”—the sum it takes to pay for the land, building, improvements, operation, and management of the property.

The actual cost of the Cambrelens' new quarters will be about \$140 a month, even with no profit for their landlord, a non-profit association of churches and private charitable organizations.

The gap will be made up by the taxpayers in two ways:

Federal rent supplement payments estimated at \$50 a month will be paid by the FHA directly to the Cambrelens' landlord, Metro Northeast Harlem Housing Society.

The city of New York has granted a 100 percent tax exemption to the six buildings in the project. City officials estimated this is worth about \$16 a month on the Cambrelen apartment.

Three doors away, in an already rebuilt ex-tenement at 307 East 102d, Zion Paige was relaxing in his spic-and-span, newly remodeled apartment after his all-night job as a stationary fireman for the city.

[Letter to the editor New York Times, June 14, 1967]

RENT SUPPLEMENT FOR LOW-INCOME GROUPS
To the Editor:

The May 27 article by Arthur Krock of The Times was highly critical of President Johnson's proposed rent-supplement plan for low-income families. As Chairman of the House subcommittee on housing, I feel an obligation respectfully to disagree with Mr. Krock so that your readers will have a balanced picture of this important new plan which the President has called “the most crucial new instrument in our effort to improve the American city.”

Mr. Krock quotes extensively from the minority report on the housing bill signed by eight Republican members of the committee (two other highly respected Republicans, William B. Widnall of New Jersey and Sey-

mour Halpern of New York, voted for rent supplements).

The minority report is written quite frankly as an attack on this proposal and naturally gives a very one-sided point of view, one which I believe is unfair and misleading. As Mr. Krock himself noted, the irresponsible cry of “socialism” is “a doctrinal attack.”

PRIVATE HOUSING

The rent-supplement plan is essentially quite simple. The housing would be privately built, privately financed, and privately owned. It would be rental and cooperative housing financed under Federal Housing Administration Section 221(d)(3). The sponsors would be private nonprofit or limited dividend corporations or cooperatives.

The families to be aided would be those whose incomes are so low that they cannot afford decent housing by paying not more than one-fourth of their total income, and who are elderly or handicapped, displaced by government action, or now living in slum housing. The aid would be the difference between one-fourth of their income which they would pay as rent and the fair market rental on the unit, and the supplement payments would end when the family's income rose to the point where it could pay the rent on its own.

There are too many distortions in the minority report to go into all of them here. As one example, it is charged that the proposal would “kill the incentive of the American family” to improve its circumstances. In support of this claim, the statement says that no family making \$3,000 a year would aspire to purchase their own modest \$7,500 home, but would instead seek to be a renter in a \$100 a month apartment for which the Federal Government would pay \$37.50 while the family paid only \$62.50.

FALSE ASSUMPTION

The fallacy of this argument lies in the assumption that a \$7,500 home is available for purchase by a family earning \$3,000 in the same community where \$100 a month is the rent required for a decent unit. In this hypothetical community where a good home could be bought for \$7,500, no rent supplement would be available for families earning \$3,000.

On the other hand, in communities where decent housing could only be obtained for \$100 a month, the rent supplement program would enable the family to occupy a good unit with only 25 per cent of its modest income instead of 40 per cent.

I see nothing in this very promising proposal to justify the extravagant alarm of those who have singled it out for attack. It would add to the supply of decent housing available to low-income families. It would take advantage of the energy and imagination of public spirited citizens—churches, cooperatives, and the thousands of civic organizations—who are deeply concerned about slums.

And it would offer low income families a healthy third choice to the alternative of slums or regular public housing.

WILLIAM A. BARRETT,

Chairman, Housing Subcommittee on Housing.

WASHINGTON, June 1, 1965.

[From the New York Times, Feb. 13, 1966]

RENT SUBSIDY TEST IN CAPITAL HAILED—MOST FAMILIES SHOW GAINS IN HOUSING EXPERIMENT

(By Joseph A. Loftus)

WASHINGTON, Feb. 12.—Rent supplements, or subsidies, have upgraded the housing and environments of 50 poor Washington families in an experiment that Government officials pronounce successful.

Only two of the families caused adverse reactions in their new neighborhoods. One man had his friends over for beer too often and failed to discipline his children and

maintain the property. “We had to transfer him,” said Hamilton Smith of the National Capital Housing Authority.

The other case of adverse reaction is not being taken too gravely. The man of the house prayed so loudly his neighbors complained. The Government cracked down—ever so lightly. The complaints ceased.

INTEGRATION NOT AN ISSUE

The housing authority had \$194,470 for what the law calls a demonstration grant, the point being to show the feasibility, advantages, and costs of leasing existing structures for sublease to low-income families. The grant covered the difference between the rentals charged by the private owners and the amount the tenants could afford. Similar experiments are being made in Boston, New Haven and Chicago.

Forty-nine of the families were Negro, but the upgrading raised no problems of racial integration. “There were no extreme cases of integration,” said Mr. Smith. “The economics didn't allow us to make integration a point. We were limited to old housing. Our concern was price.”

With seven thousand families petitioning for public housing, or rent subsidies, the 50 that were accommodated were about the equivalent of a toothpick in a forest. Most of them were about to be, or had been, bulldozed out of their quarters to make way for expressways or some other public convenience or because of building code enforcement. One family of seven had lived in a long basement room and sloshed around in an inch of water when the rains came.

The lucky families ranged from six to 14 persons. The Housing authority's big job in a tight rental market was to find houses of three to seven bedrooms outside blighted neighborhoods.

Mr. Smith reported enthusiastic cooperation by public and private housing interests. The owner of each house brought the property up at least to building code standards, spending as much as \$1,500 on it. The housing authority guaranteed the owner his rent, averaging \$165 a month.

MOST INCOME ROSE

The occupant agreed to pay the housing authority at least 22 per cent of his income and to report increases in his income. His rent payments ranged from \$34 to \$110.

Private agencies made contributions of cash and services. Mothers learned more about homemaking and how to make social adjustments for themselves and their children. They joined block clubs in their neighborhoods.

[From the Washington Evening Star, Jan. 6, 1967]

RENT-SUBSIDY SUCCESS

Washington's so-called “scattered-site” public housing experiment seemed a natural from the start. And the most recent analysis of its results, conducted by the Washington Center for Metropolitan Studies, assuredly justifies the program's expansion here.

The program's premise was quite simple: Instead of attempting to concentrate public-housing-eligible families entirely in large, institutional-like “projects,” why not lease individual homes in existing neighborhoods, and charge eligible families amounts they can afford to pay toward the rent? Well, the initial 50-home experiment has worked—so well, in fact, that the National Capital Housing Authority now is in the process of leasing an additional 300 homes.

One great advantage of this approach is the ability to house large families—the most difficult to accommodate in the standard-type projects. The Washington Center analysis also found that the placements of these families in established private neighborhoods presented no insurmountable social problems. And most encouraging of all, it found that the incomes of public-housing

eligible families living in these more normal circumstances have tended to rise, with the result that the amount of the public rental subsidy required has dropped from an initial average of \$91.11 a month to approximately \$81.

The Washington Center's proposal that the NCHA should seek to extend the program beyond the city limits to the suburbs is entirely reasonable in theory, but hardly practical as an immediate step. Legally, the NCHA's authority ends at the District line. More important than that, however, the housing of low-income District residents in the suburbs is not likely to occur until suburban jurisdictions are ready to accept them. We believe that discussions leading toward that degree of acceptance should be set in motion. But it does not exist, as a practical matter, as yet.

What has been demonstrated is that the rent-subsidy concept is one of several useful tools in attacking the problem of low-income housing. There are many possible variations, as yet unexplored, in applying the concept. And Washington can take pride in the fact that the success of the local experiment is stimulating similar programs in other communities throughout the country.

[From the Washington Post, May 25, 1967]
AREA GETS \$277,329 IN RENT FUNDS
 (By Carol Honsa)

Federal rent-supplement funds of \$277,329 have been earmarked to help pay the bills of low-income families in the Washington area so far this year.

The Federal Housing Administration said this amount will benefit 247 families living in new or rehabilitated housing projects sponsored by private non-profit organizations.

Under the rent-supplement program, low-income tenants pay a quarter of their income toward rent, with the Government making up the difference between their payments and the going rate.

APPLICATIONS APPROVED

The FHA's District of Columbia Insuring Office is still taking and considering applications for fiscal 1967 rent-supplement funds from private sponsors of low-income housing. These applications have been approved:

A \$248,767 allocation to the Washington Conference of the African Methodist Episcopal Church for a 200-unit project at 7100 Central Avenue, District Heights, Prince George's County. Tenants in 198 of the 200 housing units to be built by the church group will be covered by the rent-supplement program.

A \$15,600 allocation to Presbyterian Incorporated to Conserve Housing for rent supplements covering all units in a 26-unit rehabilitated apartment building at 1430 W St. NW.

A \$12,962 allocation to the United Church of Christ to cover partial rents of 23 families in its new 124-unit home for the elderly at 620 Pershing dr., Silver Spring. April rent supplement of \$294 were paid for five families there who have been certified as eligible, an FHA spokesman said.

To qualify for rent supplement, tenants may not have incomes higher than \$3900 annually for a family of four. They must also either be displaced by Government action, be living in substandard housing be physically handicapped, be 62 or older, or be currently or formerly residing in housing damaged or destroyed in a natural disaster.

DIRECT PAYMENT

Rent-supplement payments are paid directly to the housing owners rather than through the tenants. Tenants are selected by the owners.

Among the rent-supplement projects still under consideration by the D.C. Insuring

Office are a 250-unit housing development near Gonzaga High School sponsored by the Bible Way Church and a 199-unit development adjacent to the old Sibley Hospital site sponsored by Sursum Corda, a corporation formed by area Catholic institutions.

The FHA spokesman said there was no fixed limit on rent-supplement grants in the Washington area. He said the U.S. Department of Housing and Urban Development had \$32 million available for rent supplements this year, with \$30.5 million from that sum already earmarked for rents on 33,000 housing units in 271 communities.

The House of Representatives last week rejected a request for \$10 million to expand the program. The Johnson Administration had sought \$40 million. Current rent-supplemental contracts, however, will remain in effect.

[From the Machinist, May 25, 1967]

WHO KILLED RENT SUPPLEMENTS?

Conservative Republicans and Southern Democrats joined forces last week to cripple one of the Great Society's most promising housing programs, rent supplements.

The vote in the House of Representatives was 232 to 171. All but 12 House Republicans voted against funds for rent supplements. Of the 69 Democrats lined up against the program, 63 were from the South. A complete state-by-state record of the rollcall vote appears below.

Rent supplements were first authorized by Congress in 1965 with strong labor supports. They were designed to stimulate construction of private, low-cost rental housing as an alternative to public housing projects.

The system has worked this way:

The government makes commitments to non-profit sponsors of new and rehabilitated housing projects to pay part of the rent of low-income tenants.

The government payments go to the project, not to the tenants. Size of the payments is the difference between the amount the project sponsors need to break even and one-fourth of the tenant's monthly income.

Prior to this year, Congress appropriated more than \$30,000,000 for 405 projects in more than 250 communities. When completed, the projects will contain nearly 35,000 dwelling units for more than 100,000 persons.

This year, President Johnson requested \$40,000,000 in additional funds to house another 100,000 persons. The House Appropriations Committee cut the request to \$10,000,000.

Last week's vote eliminated even that.

U.S. Rep. Glenn Davis of Wisconsin, a Republican, offered the motion to kill rent supplements, arguing that "It is wrong to be taxed to provide a better home for the man next door."

Democratic supporters of the program, led by U.S. Rep. Joe Evins of Tennessee, argued in vain that rent supplements are an improved private enterprise alternative to public housing.

House Majority Leader Carl Albert of Oklahoma declared that the Republicans had shown themselves to be "the same old party of opposition." He charged that those who voted to end rent-supplements had "turned their backs on millions of residents of our metropolitan areas" and had taken the first step to "dismantle and sabotage the humane and progressive programs" enacted by the last Congress.

Robert Weaver, Secretary of Housing and Urban Development, who has administered the rent supplement program, also attacked the Republicans.

"The Republican leadership in the House of Representatives," Weaver declared, "has again victimized the poor. By spearheading the attack upon appropriations for rent sup-

plements, they took a major step toward denying decent housing for some 200,000 Americans."

Although last week's vote ends expansion of the rent supplement program, the House did approve a \$5,000,000 appropriation to enable the government to honor past commitments to pay rent supplements.

The Administration will try to get the rent supplement cuts restored in the Senate. But some Washington observers give the program little chance in this session of Congress.

[From the Niagara Falls Gazette,
 May 22, 1967]

GOVERNMENT LEADERS PONDER NEW VIEW OF CITY PROBLEMS

A key problem of life in America confronts the National Conference on Social Welfare at its six-day session on "Humanizing the City" which opened Sunday in Dallas.

Some venturesome programs intended to combat the physical blight and social malaise in urban slums have been slashed back sharply by the House of Representatives. Funds for model cities have been cut from \$400 million to \$249 million and Rep. Henry P. Smith III, of this Congressional district, was one of those who voted to eliminate all the funds except \$12 million for planning. Funds for new rent subsidy projects have been refused. Urban planning, open spaces and related programs are taking a similar beating.

At the same time, Congress is being urged to look at the plight of the cities from a wholly new standpoint. Lewis Mumford, the social critic who has made a life-long special study of urban problems, on April 19 told the Senate Government Operations subcommittee:

"If you are not to do far more damage than good in establishing a new housing policy, you must first prepare to rebuild the effective organs for regional planning and regional government on a state and interstate basis. "Unless human needs and human interactions and human responses are the first consideration, the city, in any valid human sense, cannot be said to exist, for, as Sophocles long ago said, 'The City is people.'"

What Mumford is getting at is that urban redevelopment and all the related programs that deal with urban blight, poverty and the stifling of the poor are mechanistic, technical operations if they are not aimed directly at the needs of man himself. President Johnson in his remarks to a recent Conference of Women in the War on Poverty said:

"The seeds of aspiration—of the will to succeed—have been planted in the slums and the ghettos and the hollows of America."

By the mid-1970's, it has been estimated, we will be spending \$130 billion a year on new housing, schools, streets, sewers, water systems and other urban facilities. How much of this should go into research on better ways to do the job? Dr. Donald F. Horning, science adviser to the President, says, "We are all participants in a dramatic and massive experiment which will test whether 20th century man—richly endowed and highly educated—can find a way to live together in large metropolitan areas with human dignity."

Dr. Rene Dubos, biologist who has concerned himself with the effect of environment on human life, asserts:

"The total response of man to man is, I think, an absolutely essential part of human development. And if our cities fail to provide that—and there's a danger that they are beginning to fail to provide that—I think we'll bring about such a gross impoverishment of human development that our civilization will eventually die."

City worries are immediate as well as long term. As one contemplates another long hot summer it's disturbing to be reminded that urban poverty is at the heart of the race problem.

[From the Lorain (Ohio) Journal, Jan. 13, 1967]

**THE RENT SUBSIDY AND HOW IT WORKS:
LORAIN IS FIRST IN THE UNITED STATES**
(By Frank Dobisky)

"I don't know of any other place I have lived that I have been as happy and content as I've been here."

The woman's eyes danced with joy, her lively spirit was infectious, as she sat in her small but comfortable apartment at Firelands Retirement Center.

The reason for her happiness?

She is one of 16 persons now living at the retirement center, at 1025 West Erie Avenue, who qualified for federal rent supplement program that began in November.

The program is experimental and residents at the retirement center in Lorain are the first in the nation to benefit from it. And one of the reasons they are first is the effort expended by Mrs. Dorothy Duke, long active in the field of housing for the elderly, and Mrs. Pearl Trotter, manager of the center.

The woman who expressed her delight at the program receives \$88 a month from social security. That's all. She has some savings but admits without rent supplement she would soon have exhausted her savings.

Under federal law, persons receiving this assistance cannot be identified. But two of the qualifying women residents agreed to discuss the programs as long as their identity was not revealed.

One of the things that impressed both residents was that everyone in the building—and they range from people with low incomes receiving rent supplement to people with high incomes who are financially independent—really care about the others.

"If you enjoy being with people you can have that here," said one of the women. "But if you want to be alone you can go into your own apartment and shut the door."

Mrs. Duke recalled talking to a resident, a man, who had been ill. During his sickness, women in the building bustled around him like mother hens watching over their broods. The man was taken aback and told her, after his recovery:

"I was nearly chicken-souped to death!"

Mrs. Duke feels the concept of rent supplement is "not to supplement or be in conjunction with public housing but it is in addition to public housing."

The center is operated by a non-profit corporation which has much of its backing from the United Church of Christ.

Prospective residents, however, do not have to be members of that church. And this is where the Firelands program differs from many other church-sponsored housing programs for the elderly.

No effort is made to determine a resident's religion before he moves in. There is no provision in the application to indicate a resident's race. The only basic requirement, to qualify under the federal rent supplement program, is that the person be 62 years or older (although handicapped persons can be younger and qualify), be an American citizen and be self-sufficient.

Also, to qualify, a single person must not have an income exceeding \$2,600 a year or more than \$5,000 in assets. A married couple's income can't exceed \$3,600 and their assets cannot be more than \$5,000. The center checks out the individual's bank account, investments, if any, and life insurance policies to determine the extent of assets.

Mrs. Duke fought long and hard for the federal program, administered by the Housing and Urban Development Department.

The bill passed Congress in the spring of 1965, signed by President Johnson in August of that year (one of the pens used in the signing is on display in the Firelands lobby) and finally was given appropriations in July of 1966.

Firelands filed applications for the program a day after President Johnson signed the bill even though funds weren't available. A waiting list from John F. Kennedy Plaza, the public housing for the elderly center on Broadway in Lorain, was made available to Firelands. From this list, the names of prospective residents were obtained. These people were contacted, interviewed and told they would be notified when the program went into action.

On Oct. 21, 1966, Firelands was informed their program had been approved and four days later a 40-year contract was signed with the federal government. Between Oct. 25 and Nov. 1, the prospective residents were called in, signed their applications and many moved in by Nov. 1.

The first rent supplement check—for \$819—was received last month.

Residents pay 25 percent of their income for rent and the federal government pays the balance or up to 70 percent of the total rent. Rents for the 15 units under the federal program range from \$80 to \$125 a month. All the units are studio apartments. Each resident furnishes his or her own apartment.

One of the women interviewed lives on \$76 a month—part of it social security and the balance from the Lorain County Welfare Department. In addition, she buys food stamps from the welfare department (\$16 worth of stamps can buy \$22 of food).

The two women were interviewed separately, neither knowing the other was discussing the program.

And the second woman, echoing the first woman's sentiments, said:

"I love it. I have never been as happy in all my life as I am now. All I can say is I'm very happy."

She said, "Everybody is warm, kind and outgoing. They always offer to help one another. The atmosphere is very warm. And the building—well, the building is simply beautiful."

How this woman came to Firelands is an example of Ecumenical spirit.

She said she was Catholic and that a friend referred her to a Methodist minister who helped with arrangements for her to enter the center.

Although the application blanks don't reveal the information, Mrs. Duke and Mrs. Trotter said that from casual conversations with residents they know there are Catholics, Jews and Protestants in the building. There also are Negroes.

Mrs. Duke said there still are small bugs in the program, nothing serious, and that it appears the rent supplement idea will catch on.

"The whole idea is to be able to help these people without giving them the impression they are charity cases. We want to preserve their dignity. That is important to these people," Mrs. Duke said.

THE LORAIN EXPERIMENT

The Federal government is helping pay the rent of 13 elderly people living at Firelands Retirement Center here in Lorain.

It is the nation's first payment under an experimental rent supplement program passed by Congress after much controversy.

Since it is an experiment, it would be wise for all of us to take a good, hard look at it with an open mind. It still goes against American principles when you give something for nothing.

But we're giving millions to feed, cloth, uplift many strangers in far away lands.

Let's try to take an objective look at this program, without in any way exposing the recipients to public ridicule or embarrassment.

And let's again give credit to the one person more than anyone else who pushed this experiment through—Mrs. Norman G. (Dorothy) Duke. She made Lorain number one in a social experiment that could change our way of life.

KHRUSHCHEV GIVES NIXON AN UNINTENDED BOOST

Mr. MUNDT. Mr. President, in his recent interview with a correspondent for the National Broadcasting Co. as it was recently telecast and subsequently carried throughout the Nation as an Associated Press story, Communist Russia's Nikita Khrushchev has given America's Dick Nixon an unintentional boost and has paid a tribute to Nixon's realism and knowledge of world affairs which is without precedent in Russian-American relations.

By the same token, in the same interview, Khrushchev, in his usual arrogant manner, dealt a blow to the prestige of former President Kennedy and the Democratic National Committee which I am sure is undeserved. I allude to Khrushchev's boastful blast in giving praise to Kennedy when he said:

I told him the fact that you became President was due to us. We made you President.

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

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

**KHRUSHCHEV SAYS REDS THWARTED NIXON
IN 1960**

NEW YORK, July 11.—Nikita Khrushchev claims the Kremlin thwarted Richard M. Nixon's election in 1960, and "made" John F. Kennedy President of the United States. He calls the former Republican Vice President a "good for nothing—an unprincipled puppet."

The former Soviet Premier, now in forced retirement, says Nixon sought to gain votes by obtaining the release of U-2 Pilot Francis Gary Powers from a Soviet prison. Khrushchev maintains the Russians saw through the plan and ignored Nixon's request.

In a National Broadcasting Co. television program tonight, Khrushchev called President Eisenhower a good man, but too easily swayed by advisers.

Khrushchev reserved his greatest praise for Kennedy, and said that were he alive today "he would never let his country get into such a sticky situation as it now is in Vietnam."

Speaking from his dacha, or country house, near Moscow, Khrushchev recounted a conversation he said he had with Kennedy in Vienna in 1961:

"I told him, 'The fact that you became President was due to us. We made you President.' He asked me how should he understand that. I said, 'I'll tell you how.'

"'You collected 200,000 more votes than Nixon. Nixon asked us for Powers, the U-2 pilot, to be released . . . and if we had done it, he would have received half a million votes just for that . . . because that would have shown that Nixon could have established better contacts with the Soviet Union.'

"'But we guessed his plans. We decided not to give him any answer, and just to give it to you when you moved into the White House. So what do you think of that?' I asked Kennedy.

"'He said, 'I agree with you entirely. If you had not acted the way you did, Nixon would definitely have got his 200,000 votes.'

"'So I said, 'That is the way I voted for you and our votes pulled you over the line.' And this is a fact. And Nixon wanted it. There were all sorts of hints.

"'Lodge, Nixon's running mate, told me straight out, 'Don't you pay any attention to what we say during the elections. It will all be thrown overboard and we will have an excellent relationship with you.' But I didn't believe it."

Actually, Powers was not released until 1962. NBC says it was the captured RB-47 fliers whom Khrushchev released when Kennedy entered the White House.

Edwin Newman, narrating the program, "Khrushchev in Exile—His Opinions and Revelations," said Nixon declined comment on the story, and said he was sure he never made the remark attributed to him by Khrushchev.

The tape and film for the one-hour program were obtained, NBC said, from private sources inside the Soviet Union and other countries. NBC also acknowledged the cooperation of Parade Magazine, which last weekend printed a word picture of Khrushchev's life in retirement.

[In the Parade article, which was carried by The Washington Post, Editor Jess Gorkin reported that "Khrushchev regards the Cuba crisis of 1966 as his proudest accomplishment.

"Although he was deeply humiliated when the U.S. forced him to withdraw Soviet missiles from Cuba, he exacted a commitment from Kennedy not to invade Communist Cuba."

[On the NBC program, Khrushchev said that "after President Kennedy's death, President Johnson, who took over, assured us that he would stick to the promises made by President Kennedy. So far, they have not been violated."]

Speaking of President Eisenhower, Khrushchev was quoted as saying:

"If I were to compare the two American Presidents whom I met, the comparison would obviously not be in favor of Eisenhower.

"Judging from the opinion of people who knew Eisenhower as a military leader and as a statesman, they did not hold him in much respect either in one field or in the other.

"They considered him a mediocre general and a weak President, because of the softness of his character, and one must admit that he is a good man. He easily fell under the influence of his aides and his subordinates. Obviously being a President and ruling the country was a great burden for him.

"Eisenhower, when we had any more or less important negotiations would, at every question I put forward, immediately turn to his advisers and aides demanding explanations or answers to my questions.

"When I came to the States and met Eisenhower in the White House, the first thing I did was begin to attack Nixon. Eisenhower looked at me in embarrassment. Nixon, that good-for-nothing, had given an interview saying all sorts of things. Eisenhower later admitted that he hadn't seen it.

"Nixon was pushed along by (the late Wisconsin Sen. Joseph R.) McCarthy, and when McCarthy began, during his lifetime, as one might say, to fade, Nixon turned his back on him. He is an unprincipled puppet and that is dangerous.

"Mr. Kennedy made a very strong impression on me, both as a man and as a statesman. I like the way he, unlike Eisenhower, had his personal opinion on all questions we discussed . . .

"Kennedy was entirely different from Eisenhower and had a precisely formulated answer to every question. Apparently he had thought them out before and they corresponded to his main line of thought, to his personal point of view.

"I liked his face, sometimes stern and at other times lightened by a good-natured smile . . .

"Kennedy was a real statesman . . . Neither he nor I wanted war, so during the Caribbean crisis we established direct communication between the Kremlin and the White House. Kennedy had a talent for solving international conflicts by negotiation. I had proof of this during the so-called Cuban crisis.

"I think if Kennedy had been alive today

we would have had an excellent relationship with the United States because he would never have let his country get into such a sticky situation as it is now in Vietnam."

Mr. MUNDT. Mr. President, I am sure all thoughtful and knowledgeable Americans will agree that neither Khrushchev's bitter criticism of Nixon nor his boastful effort to claim the major credit for Kennedy's election is anything more than the cantankerous comments of a bitter and discredited old man who has become sullen in the silence of his exile.

It should be noted, however, that the fact that the former Communist dictator goes to such lengths to discredit our former colleague and Vice President clearly indicates that Richard M. Nixon is one American leader whose perceptiveness and understanding of the menace of militant, aggressive world communism made such a sharp impression on Nikita Khrushchev that he would like to make certain that Dick Nixon never again holds a position of influence in the Government of the United States. As one Senator put it so well at lunch the other day, "With enemies like that, Dick Nixon has little need for friends."

In this connection, Mr. President, John Chamberlain wrote a highly significant column the other day. I ask unanimous consent that it be printed in the RECORD.

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

NIXON'S SIN: HE WAS ON TO KHRUSHCHEV
(By John Chamberlain)

Nikita Khrushchev, emerging briefly from his obscurity the other night to make a television appearance, called former Vice President Dick Nixon a "good for nothing" (which may have been a polite translation of a rougher term) without causing an international crisis. After all, the once-feared Nikita is just a powerless old man, and Nixon, for his part, is only a private citizen. Even so, the American reaction to the insult will be worth watching. It could tell us a lot about ourselves.

The really important question in the world today is just how far gone this country is in its tired unwillingness to face the realities of Soviet foreign policy, which is interested in peace for Communist Eastern Europe in order to gain a free hand for subversive action in Southeast Asia, in the Middle East, along the south shore of the Mediterranean, and very possibly in Greece. If Khrushchev's insult to Nixon provokes a rise in the latter's poll ratings, it will be a sign that there is still some healthy ability to react in the American body politic. If nothing happens, it will mean that U.S. citizens have lost the ability to think in terms of their own survival.

Khrushchev, in that television appearance on a National Broadcasting Company program, boasted that his refusal to answer Nixon's request for the release of U-2 pilot Francis Gary Powers resulted in the election of John F. Kennedy to the presidency. The logic of this claim may seem far-fetched, but, since foreign powers aren't supposed to stick their finagling mitts into U.S. elections, the boast should be resented even by the pro-Kennedy Americans who may have benefited from Khrushchev's actions. The special favor of Communists is not something that any good Democrat or Republican would ever think of mentioning as a campaign recommendation. At least not openly.

Khrushchev's real objection to Nixon was not that he was "an unprincipled puppet" or a "good for nothing." What really stuck in

Nikita's craw was Nixon's pertinacity in standing up for good American principles.

Before going to Moscow to open a U.S. exhibition of consumer goods, Nixon had briefed himself thoroughly on Soviet strategy and tactics.

John Foster Dulles had told him that when Communists talk of "peaceful co-existence," they mean that "while a revolution against a non-Communist government is proper and should be supported, a revolution against a Communist government is invariably wrong and must be suppressed." Dulles' last words to Nixon were that the peaceful co-existence which the Russians advocate "represents peace for the Communist world and constant strife and conflict for the non-Communist world." The Middle East crisis shows us that nothing has changed in this respect since Dulles died.

Armed with true insight, Nixon was able to take Khrushchev on in the famous "Kitchen Debate" at the American Consumer Goods Exhibition in Moscow's Sokolniki Park. "Don't give me your ultimatum," Nixon shouted at Khrushchev in full view of both American and Soviet Audiences.

Bob Considine, a great reporter, gives an unforgettable eye-witness picture of the confrontation in this recent autobiography, "It's All News to Me." When Nixon said to Khrushchev, "Listen, for every word you print in your papers from a speech by our president, we print a hundred words of your speeches," Considine found himself suddenly yelling, "That's telling him, Dick!"

This picture of Nixon as the defender of U.S. interests is what Americans should have recalled when Khrushchev called Nixon a "good for nothing" the other night. For what Khrushchev was saying was actually something quite different. He was tacitly admitting that Nixon was a knowledgeable American patriot, not a supine character who could be manipulated by the Kremlin to its own subtle ends.

EDUCATION MEANS INNOVATION

Mr. MORSE. Mr. President, my attention has been called to a very interesting article which appeared in the June 1967 issue of California School Boards, entitled, "Fountain Valley: Education Means Innovation."

Dr. Edward W. Beaubier, district superintendent, and his associates of the Fountain Valley School District, as evidenced by the article, exemplify what can be done by dedicated educators in bringing into being programs and services to those young people in such areas which meet the needs of the boys and girls.

Mr. President, I ask unanimous consent that the article to which I have alluded be printed at this point in my remarks.

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

FOUNTAIN VALLEY EDUCATION MEANS INNOVATION

The time is coming, if it is not already here, when danger signals are flashing—signals that say something is out of phase, that most public schools may be lavishing vast and increasing amounts of time and energy preparing students for a world that no longer exists.

Though this has been a time of educational research, the real reforms that might be expected have as yet only touched a small portion of our schools. While such stable organizations as banks and insurance companies have been altered almost beyond recognition, today's classroom—in physical layout, method and content of instruction—

still resembles the classroom of 30 years or more ago.

The demands of an electronic technology preclude the status quo. By the time this year's babies have become 1989's college graduates, schooling as we know it now may only be a memory.

Resistance to change is understandable and perhaps unavoidable in an endeavor as complex as education, particularly as it deals with human lives. However, it is precisely because it deals with human lives that education takes on such an urgent need for action.

The line of action for education lies in capitalizing on and developing human powers—powers such as “time-binding”—the use of which makes each man unique from all others. This momentous power is the means by which one individual can benefit from all the knowledge, the wisdom and the experience of other persons throughout history.

Just as the needs of civilization and society are complex and ever changing, the potential of the individual as a “time-binder” will vary widely. It is a significant function of education to strengthen to its highest degree this power in each individual so that he may contribute as an active participant, not a passive onlooker, to the fulfillment of society's needs as well as to his own fulfillment.

What kinds of programs accomplish these objectives? California school boards asked this question, and among the responses was invariably the Fountain Valley School District in Orange County. Evidence of that district's success is its selection as the first demonstration center for the National Education Association, and demonstration center for the Kettering Foundation's League of Cooperating Schools, such films as “The Cutting Edge of Teaching” produced by the U.S. Office of Education, and “Make a Mighty Reach” produced by the Kettering Foundation, which feature the district, awards from the California Psychologists Association for “Educational Excellence”, the Exchange Club for American Heritage Programs, and special recognition from the California State Department of Education for building design. Fountain Valley was asked to present feature presentations by the California Elementary School Administrators Association, the Department of Elementary School Principals (NEA), Individualized Instruction Conference in San Diego, and the Third International Curriculum Conference, St. Catherine's College in Oxford, England.

The district personnel are enthusiastic about their programs, of course, but we asked “Why?” of legislators, congressmen, school board members, the mayor, educator, and others. Their answers will help to explain why this district has been singled out so often.

Solutions to the perplexing problem of keeping education in step with a fast changing world have been analyzed by the board and administration of Fountain Valley who believe that the following questions must be answered to plan an educational program for the future:

It is one that is life-oriented and therefore geared toward the development of problem solving, analysis, inquiry, and decision-making skills?

Will it be one in which the student is actively and intimately involved as a participant rather than being spoon-fed a package of facts which may very early become obsolete?

It is built on a student's successes as an individual rather than on his failure at a rigid norm?

Will it be one that is designed with the involvement of the community and will it be in step with the community's demands?

“The Fountain Valley School District has been the most rapidly growing area in Orange County during the past 10 years—at a rate

of 2,380%. During the last three years the board, staff and community have really ‘pulled together’ to provide quality education while faced with the huge task of building schools, employing personnel and establishing teaching programs. . . . There has obviously been a great deal of time and energy invested in developing this school district. The County Board of Education, and the County Schools staff is certainly proud of the leadership Fountain Valley has shown in Orange County.

“Dr. D. S. STYLIANOU,
President, Orange County Board of Education.”

“Fountain Valley has demonstrated effectively that it is possible to cope with unusual problems and still engage in forward-looking, innovative educational activity. Unfortunately, some school systems in America have used rapid growth, overcrowding, and difficulties in securing competent teachers as excuses for not keeping abreast of the times in developing educational programs. Superintendent Beaubier and his staff have come to grips with these problems aggressively, while moving forward toward the frontiers of new practices in education. . . .

“JOHN I. GOODLAD,
Director, Research and Development Division, Institute for Development of Educational Activities.”

COMMUNITY INVOLVEMENT

In developing the school district and its educational program, the Board of educators have worked with the community in a sincere interest to solicit and actively involve community leaders and groups, associations, and service organizations in the planning and affairs of the district. In addition, the Parent-Teacher groups, the Superintendent/Parent Council, President's Round Table, and Citizens Advisory Committee meet for orientation workshops and study sessions at the school and district levels.

“The community of Fountain Valley has recognized the importance and the values of the work being done in their schools and has actively supported in every way, and particularly in regard to financing, the efforts of their school district personnel. In times of financial difficulty this strong community support represents the highest type of accolade for public education.

“Dr. ROBERT PETERSON,
Superintendent,
Orange County Schools.”

An integral part of this involvement with the community is a public information program which has been developed with the cooperation of three local newspapers, to illustrate features of the total program—new methods, techniques, organization, design, financing, awards and general information.

BUILDING PROGRAM

“There are several features of the Fountain Valley School District's program that make it outstanding among the nation's school systems. The buildings, themselves, for example, each constructed on plans developed cooperatively by architects and school personnel, are especially well adapted to meeting the needs of all the children. No child or groups of children has to wait for some moments before or after school to get help. He goes at once to the center room where an especially able teacher and one or two students or adult sub-professionals are available.

“GERTRUDE NOAR,
Educational Consultant, Anti-Defamation League of B'nai B'rith.”

The 11 schools in the district, all constructed since 1963, have reorganized the use of space so that six to eight classrooms are clustered about a core room called a Learning Center. The Learning Center is used as a resource and teaching center for maximum utilization of the buildings to implement the instructional program.

In addition, the schools are so designed

that areas can be converted for use as community centers to be used by church groups, scouts, service groups, associations, and civic groups for their meetings and activities.

In each building, provisions have been made for moveable walls, vinyl covered cork walls, moveable desks, cabinets and case work on casters to provide for flexibility in organizing classroom areas for special centers. Construction for the total program utilizes brick, steel, glass, ceramic tile and plastics to limit maintenance costs.

INSTRUCTIONAL PROGRAM

“Individual needs for students are given the highest priority in planning and programming by the board, administrators, and staff of the FV school district. Mutually, they have developed a program along with community participation which encourages teachers to recognize the individual differences of students, and which provides the facilities and aid needed by teachers to follow through so that their youngsters are actually educationally challenged at their different levels.

“Dr. PETERSON.”

“In the past year I have visited many schools in the U.S. in search of innovative practices in staff utilization and staff development. We have selected 160 demonstration centers for our national project. The Year of the Non-Conference—Emphasis: The Teacher and His Staff. In these centers teachers and administrators are testing out new and more efficient and effective ways to utilize the talents available in a school and community and to develop the kind of school and community environment which helps teachers teach well and children learn.

“The FV school district was the first demonstration center selected. . . . The administrative leadership is imaginative and sound; the teaching staff participates in a genuine and helpful way in planning and carrying out the program; parents are directly and appropriately involved as volunteer aides; the community is providing strong support for the school system.

“However the most exciting and significant thing happening in the FV schools is that each child is getting more individual help and attention and the talents of the teachers and other staff members are being utilized more effectively and efficiently than they are in the conventional school programs.

“Dr. DON DAVIES,

Executive Secretary, National Commission on Teacher Education and Professional Standards, NEA.”

The first casualty in this changing process has been one of the whole business of teacher-led instruction—the shift has been from teaching to learning. Instruction here is personalized through techniques of pupil placement, academic diagnosis, prescription, and constant evaluation. The prime effort is to match the student with the necessary and appropriate materials, concepts, and people to provide for individualized instruction.

“The district's looking ahead was not confined only to the enlargement of the student population, but in the field of education. They embarked on a program of individualized instruction and other new innovations that have not only been the talk of the County, but its impact on the educational community has been felt throughout the State.

“I am proud to represent a district whose people, teachers, administrators, and school board members have the courage and self-determination to accept the local responsibility of improving the educational system, and who have therefore contributed so much to the continued quality education in California.

“ROBERT H. BURKE,

Assemblyman, Seventieth District.”

“Taking up the new tools of our modern

technology and adapting the techniques, the materials and even the building facilities to make these tools effective, FV is showing all of us how we can do in an improved and more relevant manner the job of educating our youngsters. . . . We have surveyed their plants, tasted of the spirit of those involved and witnessed the results in the performance of their pupils. It moves us to say to the other districts in California: Go you and do likewise.

"RICHARD T. HANNA,
U.S. Congressman, 34th District of
California."

THE CLASSROOM PROGRAM

Working in a nongraded school district, the teacher may be operating in a flexibly grouped class or multi-grade but with multiple basal systems, books, materials, reading labs, science labs and electronic equipment.

The class grouping arrangement allows the teacher to spend more than one year with the children in order to expand and more personalize the program.

Such equipment as the tape recorder with headsets function much as a "second teacher" to provide skill lessons in phonics or mathematics, spelling or enrichment materials. Tapes are prepared by the teacher for immediate skill lessons, provided by the districts for more general needs, or commercially prepared.

Self-contained projector and screen units with headsets provide additional opportunity for individualizing instruction. Students may take a self-selected or teacher prescribed film to this self-loading projector and view it in the classroom without disturbing children involved in other learning experiences.

Pupil-teacher conferences are conducted during class time for the purpose of identifying academic problems or successes and to prepare a foundation for individual and small group assignments or lessons. These individual conferences permit personal evaluations in the form of an analysis for growth. This analysis can be converted into an ongoing profile developed on each child to continue effective personalized prescriptions.

Cooperative teaching provides for additional grouping of children to capitalize on teachers' strengths for in-depth instruction.

Self-directed learning activities include individual contracts, self-selected reading with follow-up and evaluation, small group discussion with summary and evaluation, research, experimentation, creative dramatization, projects, debate, that place more responsibility for learning with the individual child.

LEARNING CENTER

The Learning Center functions (for 6-8 teachers) as an extension of the regular classroom and operates as a resource center for diagnostic materials, electronic teaching devices, tape banks, test banks, science centers, a rotating library system, audio-visual equipment, reference and resource materials. Additionally, it operates as a teaching center supervised by a Coordinating Teacher who also conducts individual, small group, and cooperative teaching programs.

COORDINATING TEACHER

The Coordinating Teacher is selected on the basis of being a master teacher and an expert in interpersonal relations. Ten percent additional salary is paid for assuming this responsibility. The Coordinating Teacher is not assigned to a regular classroom but works with the teachers and children in the classroom cluster by cooperatively diagnosing the academic programs for the children, evaluating pupil progress, and scheduling children for instructional purposes. She develops and participates in cooperative teaching programs, implementing new methods and special programs.

AUXILIARY PERSONNEL

In the Learning Center is a teacher aide who serves as a secretary and non-instructional assistant to the Coordinating Teacher and other cluster teachers. Her responsibilities include clerical work, filing, duplicating, circulating and retrieving materials, recording systems, and operating audio-visual equipment.

In addition to this paid aide program is a volunteer program of approximately 1,000 parents who work in service capacities to the schools and district for approximately four hours each day.

Curriculum Materials Center Aides fill requests by using hand tools to make teaching devices, visual aids, and instructional games.

Library Aides assist the central library staff with such tasks as pasting pockets in books, shelving books, filing catalogue cards, checking books in and out, and circulating requested books.

Health, Welfare and Safety Aides assist the school nurse with vision and hearing tests, immunization programs, health projects and programs, safety programs and puppet shows for primary children.

CURRICULUM MATERIALS CENTER

In a program geared to the needs and interests of individual children, it is essential to have a storehouse of ideas, materials, and equipment. In FV the Curriculum Materials Center operates an in-service, dissemination and work area for the teachers and teaching programs of the district. It is staffed with certificated and classified personnel who are highly skilled in the areas of curriculum implementation and human dynamics.

"The FV school district staff, with the liberal use of a variety of audio-visual aids, described certain features of their program at the recent California Elementary School Administrators Association state conference. Following the meeting, one principal wrote on his evaluation sheet . . . 'Fountain Valley! . . . who do they think they are?' The question was relevant, although the writer's inference was clear. He was, as a proper 'traditionalist,' offended by the confidence and skill with which these professionals discussed their solutions to educational problems. There appeared in them no hesitation, no doubt that they had the answers, and right answers at that.

"Two things are clear to me after close inspection of the operation of their school district: (1) they have a substantive, exciting and productive program for boys and girls, successfully implemented by an outstanding staff, and (2) no reluctance to sell this program to their community and anyone else who will listen. This is a rare and valuable combination of characteristics, unique in our school Establishment.

"FV . . . not only knows who they are but they know what they're doing! They deserve a thoughtful look, encouragement and commendation from their colleagues.

"THOMAS D. WOOD,
"Executive Secretary, CESAA."

PRE-EMPLOYMENT SEMINAR

A seminar is conducted each summer in order to assist teachers new to the district in orienting themselves to new teaching techniques and methods in FV educational program. The emphasis for this program is placed in five major areas: (1) the mechanics of classroom organization and district point of view; (2) methods of individualizing the curriculum; (3) use of materials and audio-visual equipment in individualizing instruction; (4) cooperative teaching; (5) use of the Curriculum Materials Center and district services.

A 12 month school year with four week summer sessions also provides an opportunity for new teachers to observe demonstrations given by regular classroom teachers.

"There is much talk in American schools about innovation. One school system which has taken national leadership in actually accomplishing innovation is the FV school district, under the leadership of Dr. Edward A. Beaubier. It is a pleasure for me to salute the FV school district and Ed Beaubier for their very substantial contribution toward a better educational system.

"DON WHITE,
"Executive Vice President, National
Audio-Visual Association, Inc."

"Our City of Fountain Valley is very proud of the FV Elementary School District. I believe the success of the District is due to a combination of circumstances which begin basically with the people of the community and their fine attitude toward education. . . . this district is an outstanding example of modern educational programming which makes the best use of the talents of its school children.

"ROBERT D. SCHWERDTFEGER,
"Mayor."

"Conversation ten years ago, or even five years ago, about FV seemed to always bring the question, 'Where is it?' This year hundreds of school board members, administrators, teachers, and educational research people have come to our schools from as far away as Hawaii and New York and also such countries as Japan, Germany, England, Canada, and Israel. Recently, the Director for the Texas Governor's Committee on Public Education and committee members spent the day analyzing our program.

"Before growth first started in 1963 (250 enrollment), the school board and administration organized a master plan for the school district and agreed upon the type of educational program that would provide the best possible basic education for the children coming to FV. (Current enrollment is 6,700.)

" . . . Our community has given a great amount of support during these few short years in passing bond and tax elections along with considerable interest in the various teaching programs. The number of parents and the work they do without pay in health and safety areas, in library materials, and making aids for the teachers is truly inspiring.

"MRS. NAOMI JONKMAN,
"Clerk, Board of Trustees."

TEXTILE IMPORTS BILL

Mr. KENNEDY of Massachusetts. Mr. President, I am glad to join as a cosponsor of S. 1796, introduced by the distinguished junior Senator from South Carolina [Mr. HOLLINGS] and cosponsored by more than 30 Senators.

Last March 1, I joined with a number of Senators in a discussion in the Senate of the problems our domestic textile industry faces from ever-rising imports. These problems are still with us, and they involve plant closings, layoffs, and other situations of grave concern to those of us concerned with the welfare of the working man and his family.

The bill introduced by Senator HOLLINGS would meet this problem by encouraging negotiations on voluntary agreements. Then, if agreements could not be consummated, a system of quotas on the importation of certain textile articles would be imposed. If, however, there exist or later come into existence any bilateral or multilateral agreements governing textile imports, then the President is given the authority to modify the quota system to reflect the terms of the agreement.

It is my belief, Mr. President, that our

best textile import policy is one based on voluntary agreements. This is the guiding principle of our Federal textile policy, and it has been so since 1961. I think that the existence of viable trade agreements, effectively enforced, is the best guarantee that we will have both a healthy trade expansion policy and a healthy textile industry.

I invite attention, at this point, to the bill introduced in the House by the distinguished chairman of the Committee on Ways and Means, Representative WILBUR MILLS. His bill, the proposed Textile Trade Act of 1967, would authorize the President to undertake negotiations looking to the consummation of agreements to provide orderly trade in textile articles. If after 180 days following the passage of the bill there remained certain categories of textile articles not covered by agreement, then these articles would be subject to the imposition of quotas.

We in the United States have tried to enter into workable agreements with those countries whose imports to this country are large, but without much success. I would hope, now that the Kennedy round is concluded, that the administration would redouble its efforts to win bilateral and multilateral agreements. This is the key to an orderly international trade in textile articles, and I hope that we can greatly enlarge our participation in them.

DR. LORAN B. MORGAN OF WYOMING FIGHTS THE "OTHER WAR" IN VIETNAM

Mr. HANSEN. Mr. President, the people-to-people aspect of the war in Vietnam—the so-called other war—which is fought in the schools and hospitals, rather than on the battlefields, has been waged for the past 60 days by Dr. Loran B. Morgan, an ophthalmologist and ophthalmic surgeon from Torrington, Wyo.

I have had a number of exchanges of correspondence with Dr. Morgan during his tour in Vietnam, and he has favored me with a copy of his April-May report, in which he makes a number of recommendations which I feel are deserving of implementation.

In his report, Dr. Morgan alludes to "two serious practical problems" which were and are present as an impediment to the treatment of patients in Vietnam. The first is the difficulty of transportation; the second is the lack of a smoothly functioning supply system for medical needs.

I would hope that when this matter is brought to the attention of the Pentagon and the Department of State, some corrective steps might be taken along the lines recommended by Dr. Morgan.

The people of Wyoming and the Nation can be very proud of volunteer doctors, teachers, scientists, and other civilians who willingly go to Vietnam, exposing themselves to many of the dangers found in any combat area which has neither front nor rear lines.

I commend Dr. Morgan for leaving his practice and community to go to Vietnam for what he has called "the most

challenging and hardest job I have ever done, but one to which I hope to apply myself again."

I ask unanimous consent that the report be printed in the RECORD.

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

OPHTHALMOLOGY VIETNAM, APRIL-MAY 1967

To write a report on the sixty day "tour of duty" as a volunteer ophthalmologist in Vinh Long, Vietnam, is an almost insurmountable task. In one sentence, it is the most gratifying experience of my life; the most challenging, hardest job I have ever done, but one to which I hope to apply myself again.

The patient load and the working conditions have been covered well by previous reports. I would like to add only two professional observations and two practical observations.

Professionally, corneal transplants can be done in unlimited numbers. Preserved corneae are there now and will be resupplied by the International Eye Foundation on request. Most cases require penetrating keratoplasty, however, and the equipment for an eye bank is there now. I have been assured by the Medicine Chief of the Vinh Long Hospital, Bac Si Phung, that fresh eyes can be obtained without trouble. I would hope a corneal transplant team would see fit to take a tour there. The political impact would be tremendous. The State Department of the United States would do well to consider this possibility.

The perforated cornea is a daily clinical problem. Many of these eyes can be saved by the flush fitting scleral lens. I assembled a kit—in an ordinary attache case—that worked very nicely. I would recommend any future volunteer to spend some time considering this before he goes.

Two serious practical problems exist. I spent hours trying to solve them, but after one month, my replacement says they are still present.

First, the only transportation available is obtained by begging. Doctors by nature are independent people and are reluctant to beg for rides to meals, hospital, Px, Church, etc. My work output could have doubled if I had had my own transportation. Vietnamese civilians, State Department personnel, and Allied Forces are all driving American motor vehicles furnished free of charge. The ophthalmologist should have his own vehicle 24 hours a day.

Second, the need for a smooth running supply system is urgent. All of us have had to beg for anesthetics, suture, antibiotic solutions—yes, even caps and gowns. Surgical instruments are only what you bring yourself, and I am still waiting—now 6 weeks—for mine to return. This is of considerable worry to me. The lack of proper refraction equipment and frames and lenses, especially for the aphakia we create, is most frustrating.

However, each one of us has improved the situation. I urge constant communication between all past, present, and future ophthalmologists in the program. This duty can be the greatest experience in your entire personal and professional life. And, who knows, maybe this program could actually change, and shorten, the whole course of the War, and thus the history of the world. Few men have the opportunity to contribute to a program with such high ideals and unquestionable motives.

THE DEVELOPMENT OF A NUCLEAR NAVY

Mr. JACKSON. Mr. President, in the past on this floor and in the meeting rooms of the Senate Armed Services Committee and the Joint Committee on

Atomic Energy, I have voiced my strong support for a greater American nuclear fleet.

Congress has provided the leadership in getting the Navy to use nuclear propulsion in its submarine and surface fleets. We are finally getting on with our second nuclear propelled aircraft carrier and the Department of Defense has requested advanced funding for a third nuclear carrier.

Congress is pushing for additional first line warships to support these carriers, eliminating some conventionally fueled warships from the DOD budget and substituting nuclear-powered ships.

Still, we are not moving far enough or fast enough in the development of a nuclear Navy. This point is well taken in editorials recently published in newspapers in my home State, in the Seattle Times and the Tacoma News Tribune.

I ask unanimous consent that these editorials be printed in the RECORD.

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

[From the Seattle Times, June 16, 1967]

IT PAYS TO LISTEN TO ADMIRAL RICKOVER

Vice Adm. Hyman G. Rickover, the crusty Navy officer who pioneered the nuclear Polaris submarine program, has renewed his undeclared philosophical war against the Pentagon's cost-analysis approach to weapons development.

The controversial admiral, whose running battles with anyone who doesn't agree with him make for exciting moments, once again has turned to his faithful ally, Congress, to support his recommendation for several nuclear-powered surface ships to escort nuclear aircraft carriers.

The cost accountants, who Rickover says run the Pentagon, want oil-fueled ships because their computers report they can get more ships for the least money.

The admiral contends the Pentagon's cost-effectiveness policies are wrong in that they emphasize getting the most, not necessarily the best. Nuclear ships, the admiral is fond of pointing out, can operate far from refueling points for months at a time while oil-fueled ships have to refill their tanks frequently.

Rickover recalls that the same arguments posed by the Pentagon's present generation of cost-analysts were used against the development of nuclear submarines 20 years ago.

The admiral is a gadfly whose persistent buzzing about faults he finds in defense policies annoys his superiors in the Pentagon no end. But he has been right so many times in the past in defense areas in which this nation cannot afford to be wrong that his recommendations merit more than passing attention both by public officials and the public.

[From the Tacoma News Tribune and Sunday Ledger, July 2, 1967]

SHOULD WE INCREASE NUCLEAR NAVY?

America is a maritime nation, although currently she seems to be letting the title go by default. Wherever you examine this area of our national interest today—fishing, maritime commerce, Navy—we seem to be retreating.

Should this trend continue, the United States will suffer, because we are a have-not nation in respect to many natural resources. Many metals and raw materials vital to our security as well as to our prosperity are no longer available within our continental borders. Among these are the bulky raw

materials which must come to us over free sea lanes.

In this framework the Navy has played a historical role in maintaining the freedom of the seas. This is a phrase with a very real meaning. We have witnessed at the Gulf of Aquaba how suddenly this freedom can be threatened.

Yet there has been a reluctance on the part of Defense Secretary Robert Strange McNamara to keep the Navy as modern as it could be. It must be admitted that Secretary MacNamara has the supremely difficult job of assuring adequate defense at a cost we can pay, and such things as nuclear ships are not purchased in a bargain basement. Nevertheless, there are some things which can be said for accelerating nuclear construction. Today, on the eve of our national birthday, it might be well to consider them:

WORRISOME THING IN THE DEEP

Russia today has an estimated 50 nuclear and 350 conventional submarines. And high U.S. Navy officials are concerned that we are lagging behind in our submarine warfare program.

The officials are concerned about the current building program for attack submarines, about the advanced age of the eight anti-submarine warfare carriers in the fleet, and about delays and soaring costs in development of better anti-submarine torpedoes.

Well they might. The Soviets are basing most of their naval strength on their submarine fleet, and they are constantly improving it.

However, the Navy has not received much sympathy from Defense Secretary McNamara. The Navy wanted five nuclear attack submarines in 1968 and several more each year thereafter. Mr. McNamara decided the Navy was to have three in 1968 and three more in 1969.

In the meantime, Vice Admiral C. B. Martell, director of the anti-submarine warfare program, told Congress that the current building program of nuclear attack submarines is "entirely inadequate; the submarine building program cannot be turned on and off like a spigot of water."

Vice Admiral Hyman G. Rickover told Congress that he considers the submarine building program technically deficient.

"The way things are going," Admiral Rickover told Congress, "the technical proficiency of the Navy is being reduced every day. If this trend continues, and the Russians take advantage of it, they may get ahead of us in nuclear submarines. That is my opinion, and I will stick to it."

PETROLEUM HAS DEFENSE DRAWBACKS

One major shortcoming of petroleum-powered fighting ships is the necessity for frequent refueling. This problem became acute in World War II and the Navy developed refueling at sea for its huge carrier task forces. Nevertheless, the very amount of fuel needed to keep such a force going strained our supply lines. In contrast, nuclear ships can operate for years without refueling.

The fact has been brought forcefully to mind by the Arabians, who have moved to cut our Middle East oil supply. Ships operating in Vietnam have been getting their fuel from this comparatively nearby and convenient source. The same source has been supplying our land forces.

While there is plenty of oil available elsewhere in the world, it will take 60 instead of 25 tankers to keep our force supplied. The strain on our supply line will be considerable.

The total requirement would have been reduced had the Navy been operating with nuclear powered ships. And although nuclear fuel has a high first cost, over the long haul there might be a real economy, compared to the cost of millions of gallons of petroleum used to fuel a regular carrier for, say, 10 years.

In the event we are ever called upon to

wage another two-front war as we did from 1941 to 1946 it is quite possible that our supply of overseas oil would be severely curtailed. In this event, having a navy substantially powered with nuclear fuel certainly would materially ease our defense supply problem.

CASE FOR A BALANCED TASK FORCE

Today the U.S. Navy has only four nuclear powered ships: the carrier Enterprise, cruiser Long Beach and frigates Bainbridge and Truxton. Under the circumstances, it has been necessary for these ships to operate with conventionally fueled ships.

Thus, when the Enterprise started home from Vietnam last year, she could be accompanied only by the U.S.S. Bainbridge, which could keep up with the carrier without refueling. With only one escort, the commander placed the Bainbridge in the most likely direction a Russian reconnaissance plane would approach from. But a Russian long range bomber happened to approach from a different direction and was not picked up until it got within range of the Enterprise's radar. It should be obvious how serious this would be under combat.

In time of war a carrier task force is ringed by a protective fleet of supporting ships: cruisers and destroyers who keep a sharp watch for enemy aircraft and submarines. They must be able to keep up with the carrier.

Although an atomic destroyer costs about 50 per cent more to build than a conventional destroyer, when one considers the long-range fuel savings, the increased efficiency of a nuclear task force and—in fact—the absolute necessity to give our expensive nuclear carriers adequate protection in time of war, it seems only logical that the Secretary of Defense would support the Navy's recommendation for a balanced fleet.

THE CONTINUING COMMITMENT OF PRESIDENT JOHNSON AND THE DEMOCRATS TO AMERICA'S OLDER CITIZEN

Mr. WILLIAMS of New Jersey. Mr. President, as we review the accomplishments of the Johnson administration and two great Democratic Congresses, one fact becomes clear: The programs we have achieved will touch the lives of every American man, woman, and child for generations to come.

Certainly the commitment we have made to older Americans would, in itself, stand as a monument to human progress and human compassion.

This fact has not been lost on the majority of our people. They know that, historically, the Democratic Party has been associated with every effort to raise the dignity of the citizen over 65, and to insure his economic and physical security.

And our generation of Democrats has been true to that tradition.

On July 1, President Johnson reminded us of just how much we have accomplished by issuing a statement marking the first birthday of the national health program known as medicare. He told us that—

Benefits of \$2.4 billion were paid to 4 million older Americans who entered hospitals during the past year alone.

Two hundred thousand older patients received home health services.

Almost three-fourths of a billion dollars were paid out to those in the voluntary insurance phase of medicare.

These are the statistics of accomplish-

ments. Though we may never be able to measure the full degree of psychological security which millions of American citizens have realized through medicare, we can certainly feel pride and accomplishment in the public and editorial opinion which has pronounced medicare an unqualified success on its first birthday.

On the same day the President issued his first year's progress report on medicare. He also signed the Older Americans Act of 1967. It was my privilege and honor to introduce this legislation in the Senate. This act extends the Nation's commitment to provide new community and other specialized services to 19 million Americans over 65, through their States and through their own local communities.

Little do we realize the revolution implicit in these two historic acts.

That revolution was succinctly expressed by the President in his message to the Congress on Older Americans in January, where he wrote:

We should look upon the growing number of older citizens not as a problem or a burden for our democracy, but as an opportunity to enrich their lives, and, through them, the lives of all of us.

I need not tell you here how long it took such a statement to be accepted by many in this country as national policy.

I need not tell you how long the Democratic Party, from Roosevelt to Johnson, fought to have the older person treated as something more than an unwanted object, fit only for the scrap heap or the poorhouse.

Today, we accept medicare, the Older Americans Act, Federal aid to hospitals, and social security, just as we accept the air we breathe.

But how long did it take the original Social Security Act to triumph over the narrow opposition of the 1920's and 1930's?

It was only the popularity of Franklin Roosevelt and the spectacle of a nationwide economic breakdown which got it through over the opposition of many whose voices—if not votes—are still heard in this Chamber.

The U.S. Social Security Commissioner reported a few months back that one out of every nine Americans—22 million—received monthly social security benefits in 1966. They shared in benefits of \$20 billion.

And how long was medicare in the coming? It took almost 20 years from the day President Truman first proposed it until the day President Johnson finally signed it into law.

When President Johnson signed the Older Americans Act of 1967, it seemed like a simple act. Yet how many years of fighting by the Democratic Party for the older citizen preceded that? How many years of speaking out for low-rent housing for senior citizens, for community and health programs for senior citizens, for employment opportunities? How many years of advocating civil rights laws to prohibit discrimination because of age?

Yet there is still more to be done. There are programs now before the Congress to be acted on.

There is the proposed increase in social

security benefits by President Johnson, so badly needed because of rising costs of living.

There is the proposal to permit older citizens to earn more money without sacrificing social security benefits.

There are new housing and community programs which will help the older citizen.

There is the preventive health proposal which would help to prevent illness and disease before they become a serious or debilitating problem.

The record of Democratic Presidents and Democratic-led Congresses on responding to the needs of the older citizen is public.

I am proud to have played a part in these programs. I am deeply proud that we have a President who cares and feels for the older citizen.

I am deeply proud to belong to a party that cares for people.

I ask unanimous consent to have printed in the RECORD recent statements of President Johnson on medicare and the Older Americans Act of 1967, and a recent column by Marquis Childs, commenting on the first anniversary of medicare.

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

STATEMENT BY THE PRESIDENT ON THE FIRST ANNIVERSARY OF MEDICARE

The success of the Medicare Program in its first year has surpassed even the expectations of some of its staunchest supporters. The program is fulfilling the promise that older Americans and their families will be free of the fear of major financial hardship because of illness.

Secretary John Gardner submitted a report to me today in which he advised that in the past year under Medicare:

Four million older Americans entered hospitals, and \$2.4 billion in hospital bills was paid out.

\$640 million for other medical services, primarily physicians' services, was paid out for the elderly enrolled in the voluntary medical insurance part of the program.

200,000 people have received home health services.

Since January 1, 1967 another 200,000 people have received care in professional nursing homes. The impact of Medicare goes far beyond what can be learned from a recital of statistics. The program has triggered deep and beneficial changes in American life:

In the past, many aged Americans received the medical care they needed as ward patients or on a charity basis. Today they receive care on a private patient basis, with the dignity and freedom of choice that goes with the ability to pay provided by Medicare.

Millions of aged Americans now have the peace of mind that comes from the knowledge that health care will not entail deep financial distress. They know they will not have to ask their children or other relatives to assume the responsibility of their medical bills. Before Medicare only a little over half of the aged had any health insurance, and less than one-half of those had broad protection against hospital costs.

As a result of Title VI of the Civil Rights Act as applied to Medicare, members of minority groups in many communities have access to quality hospital care previously barred to them. Over 95 percent of the nation's hospitals are now in compliance.

Medicare has been a powerful force in upgrading the level of health care available to

all Americans. Today, 6,800 hospitals, containing 98.5 percent of the bed capacity of non-federal general care hospitals in the United States, meet the quality standards of Medicare. For several hundred of these hospitals considerable upgrading was required in order to participate. In addition, the participation of 320 psychiatric institutions, 4,000 extended care facilities and about 1,800 home health agencies is also conditioned on their ability to provide quality care.

Medicare has stimulated the development of alternatives to hospital care: hospital outpatient services, post-hospital extended care, home health care, as well as physicians' services in the hospital, office or home. This wide range of Medicare alternatives makes it possible for the doctor, patient or family to make a realistic choice of the service which best meets the patient's needs. In 1963, only about 250 home health agencies in the country could have met Medicare standards. Today 1,800 agencies are certified for Medicare participation.

The comprehensiveness of Medicare coverage sets a standard against which all age groups measure the scope of their health insurance coverage. Medicare is stimulating improved health insurance coverage in the private sector for the entire population.

Improving Operations:

Medicare is an enterprise involving many millions of people and thousands of organizations. In setting up a program of such magnitude, there were many unprecedented administrative and procedural problems to be solved.

For the most part, the administration of hospital benefits has gone well. Most hospitals are reimbursed on a timely basis. Some simplifications are possible and are being pursued, but the administrative problems in this area are no longer substantial.

The payment of out-patient hospital benefits continues to present problems. We have recommended to Congress a major simplification of these benefit provisions.

On a national basis, insurance carriers had a backlog of nearly eight weeks work after the first two months of the opening of the program. By the first of this year, this had been cut to five weeks. Today, it is down to about 2.3 weeks.

In 51 of 59 carrier service areas, serving 90 percent of the Medicare beneficiaries, physicians' bills are being processed on an average of less than 21 days, and in 14 of these areas the average bill processing time is 10 days or less. Our goal is that all insurance carriers should achieve the processing time that these 14 carriers have attained.

Carriers are continuing to reduce processing time, although bills are still coming in at a rate of over 700,000 a week. Reductions result from the introduction of electronic data processing equipment by the carriers, increases in staff and improvements in training, and simplifications in policies and procedures. The informational efforts of the carriers and the Social Security Administration have also led to a better understanding of the program by physicians and beneficiaries, reducing the proportion of improperly filed claims that had to be returned. The rate of claims returned by carriers for additional information is down from an earlier 30 to 40 percent to 4½ percent.

One major current problem concerns how the patient can be relieved of the hardship caused by large bills submitted by a physician who is unwilling to take payment on assignment, thereby forcing the patient to pay the physician out of his own funds before Medicare can make payment.

Nearly 57 percent of the physicians in the country accept assignments, at least part of the time. However, some patients of the other 43 percent may suffer serious hardships. We are studying ways to relieve the patient of unnecessary burdens, without increasing in-

flationary pressures on the size of the physician's fees.

Medicare goes into its second year on a sound administrative basis. Many of the difficulties that arose have been ironed out and the entire process is being carefully reviewed to assure that it operates at maximum efficiency and with minimum difficulty for all who are involved in or affected by it.

During the first year of Medicare, superior health care has been provided for millions of aged Americans, and health standards have been raised for all Americans. This has come about because of cooperation between the federal government, physicians, insurance carriers and the states. It would not have been possible without the strong support of each of these groups. We have forged a partnership for a healthier America.

STATEMENT BY THE PRESIDENT UPON SIGNING THE OLDER AMERICANS ACT AMENDMENTS OF 1967

Today, we honor in law our continuing commitment to the 19 million older Americans among us.

The bill I am signing—The Older Americans Act Amendments of 1967—builds respected tradition.

In Franklin D. Roosevelt's day, the hand of justice was extended when the first social security act was passed. Now we need to bring that act up to date, with the greatest increase in benefits in more than 30 years.

In our own time, we have extended the hand of hope—through Medicare. That historic program is one year old today.

All the doubts and dire predictions have vanished in the glow of its success. Millions have already benefited. And this year we hope to make Medicare even stronger and better.

In our day too, we have taken another progressive step. The Older Americans Act which we passed in 1965 reaffirmed a nation's sense of responsibility and respect for the dignity of age.

For the first time, states and communities in a true home town effort were able to plan and develop special programs to enrich the later years.

Here is the record of accomplishment:

550 communities in 44 states have launched programs to improve the quality of life for their aged.

50 community organizations are carrying forward research and pilot projects, to put new life into later years.

2,000 specialists are being trained in colleges and universities to work with the elderly.

But the full meaning—and the humanity—of this effort cannot be found in these statistics alone.

These programs have ignited a sure sense of usefulness in lives once lost to loneliness and boredom. Thousands of older people have found friendship, education and recreation. Thousands more have volunteered their still valuable services to their community.

The legislation I am signing today will strengthen this great work.

The \$43 million it authorizes will greatly increase our efforts of the last two years by:

Adding 275 new community projects such as establishment of centers for senior citizens for recreational, educational and counseling activities to the 550 already started.

Making possible a comprehensive national study to determine what kinds of specialists are needed—and how they can be better trained—to work with the elderly.

Carrying forward research programs such as research to develop new roles for retired persons to participate in full time, part time or volunteer community activities, including 75 new pilot projects.

I know of no better way to sum up the vitality and the hope of our programs for older Americans than to report the words of a volunteer worker:

"We are enabling men and women in their

years of retirement to plow their goodness back into the world they helped to build."

With the bill I sign today, we are returning some of that goodness to the world.

[From the Washington (D.C.) Post, July 7, 1967]

MEDICARE'S YEAR: A HAPPY BIRTHDAY
(By Marquis Childs)

At least two cheers should go up for the anniversary just past. Medicare is one year old and, despite some delays and dislocations, it has been instituted with remarkable success. To put 19 million people under a program entirely new to American medical practice and resisted by a large part of the organized medical profession as a socialist intrusion on the free way of life was no small task. As President Johnson has said, this is the greatest single civilian undertaking since World War II.

Small wonder that Social Security Commissioner Robert M. Ball is proud of what he and his staff have been able to accomplish. His report on the first 12 months bulges with impressive statistics—4 million persons for in-patient hospital services; \$2.4 billion paid to hospitals for these services; 25 million doctor bills for which \$640 million was paid out.

The gloom and doom opponents of Medicare predicted that so many people over 65 would rush to the hospitals for free service that hospital care would inevitably break down. This has not happened. The expected increase has been within reasonable limits, according to Ball. There has been a 15 to 20 per cent increase in hospital use by those qualifying under Medicare but this has resulted in less than a 5 per cent increase in total hospital use.

The President with his extraordinary capacity for spreading his interest far and wide, together with his driving energy, has helped to nurse the program along. He was determined to bring into active cooperation groups, such as the American Medical Association, that had fought Medicare. Under his direction Social Security contracted with Blue Cross, Blue Shield and 27 commercial insurance companies to administer both the hospital and the doctor's service phases.

Not the least of the achievement is the integration of the hospitals as required under the Civil Rights Act before they could benefit from Medicare. Of 6550 hospitals throughout the country only 146 cannot qualify. Of the latter 43 are in Mississippi, 21 in Alabama and the rest scattered throughout the South.

This is a revolution in custom and behavior. Blacks and whites share rooms in Southern hospitals. Where Negro doctors qualify they serve on hospital staffs.

At the start of Medicare delays in the repayment to individuals for what they had paid out to doctors, unwilling to accept responsibility for collecting directly from Social Security, caused hardships. Older people on small incomes had to borrow money to meet these obligations while they waited often for months to be reimbursed. Ball says that the waiting time has now been reduced to days instead of weeks in virtually every state. There are still problems in administering certain outpatient phases of Medicare, with the need perhaps to make minor changes in the law.

With these minor qualifications the overwhelming fact is that millions of Americans are getting quality medical care, many of them for the first time in their lives. They are getting it as a right grounded in the Social Security System and not, as the American Medical Association would have it in its swing toward reaction, as a privilege. Nor is there evidence that the program has contributed substantially to the spiraling costs of medical care.

Pride of achievement to one side, when measured against need this is a small revo-

lution indeed. Sargent Shriver produced the other day appalling figures to show how an affluent America with the highest medical standards in the world roughly one-third of the Nation has little or no share in the benefits of medicine or dentistry.

Two black marks on the record point this up. One is the high proportion of rejections in the draft for physical reasons. The second is the fact that the rate of infant mortality in the U.S. stands seventh or eighth in the list of nations, below countries with far more scarce resources.

It was so long in coming with Harry Truman denounced as a dangerous radical for daring to propose it, that Medicare must seem the successful end of the road rather than merely a beginning. The pinch of the cost of the war in Vietnam and the threat of a big government deficit, together with the increasingly conservative temper of Congress, seems to put a period to any further advance. Shriver is battling to save his poverty program from destruction with the odds against him.

Yet Medicare proved what can be done. And history has shown that revolutions can rarely be checked in midcourse.

COMMENCEMENT ADDRESS DELIVERED BY SENATOR MONDALE

Mr. MORSE. Mr. President, the public community college as a member of the family of institutions of higher education may be comparatively young but it, like the youngsters in our human families, is growing rapidly and filling out. It carries the bloom of youth and the exuberance of youth with it, and its potentialities for service to our young people are tremendous. It is hard to believe that in the spring of 1960 there were nationally only 310 public junior and community colleges with an enrollment of but 348,538. The latest figure I have found shows that as of the fall of 1966, the public and junior community colleges in our country numbered 565 and were educating 1,316,980 young men and women. I am confident that the rate of growth in 1968 and 1969 will continue to increase sharply, since 200 new ones are now in the planning stages and 50 per year or more start operation.

I am moved to make these comments, Mr. President, because I have recently been privileged to read the commencement address of the distinguished junior Senator from Minnesota, which was given at Anoka-Ramsey Junior College in Minnesota on June 9, 1967. I congratulate my distinguished colleague upon the remarks he gave at that occasion.

The questions he asked in it are questions which are being asked in campus after campus through the country. They are questions which, in my own State of Oregon, are being asked at Clatsop Community College, Lane Community College, and each of the other new members of the system in the State. These institutions will, I am sure, find the answers to the questions he has posed through the service each will give to the community they grace.

Mr. President, I ask unanimous consent that the address to which I have alluded be printed in the RECORD at this point in my remarks.

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

ANOKA-RAMSEY JUNIOR COLLEGE COMMENCEMENT SPEECH BY SENATOR WALTER F. MONDALE, JUNE 9, 1967

Dean Wilken, distinguished members of the faculty, students, and friends of Anoka-Ramsey State Junior College, I am proud to be here tonight at the first commencement exercises at this college. Those of you who are graduating tonight after two years of study, and those of you who have contributed the buildings of your school district to this new college, and those of you who have built curriculums and courses, those of you who have encouraged your sons and daughters, and those of you whose support of this new college has come in many other ways—you are all part of a great new experiment. What goes on here tonight is the first fruit of an exciting thrust in education, for Minnesota and for the nation.

Four short years ago, while I was Attorney General of the State of Minnesota, I was pleased to help work for passage of a brief law which carried the seed for a revolution in junior college education in this state. The law began: "Not to exceed fifteen state junior colleges are hereby established under the management, jurisdiction, and control of a state junior college board which is hereby created."

The State had previously been economically involved with Minnesota's junior colleges through special state aid formulas. But the passage of that law affirmed the dedication of the people of Minnesota to a statewide program of opportunity for young people. To the local effort that had previously brought eleven junior colleges into operation since 1915, the state now added its broad economic and administrative powers. Except for Fergus Falls in 1960 and Willmar in 1962, no new junior colleges had been established in the state since 1940. Since 1965, colleges have developed at International Falls, Thief River Falls, and here in the Twin Cities Metropolitan area. More are on the way.

I certainly do not need to tell most of you what a tremendous effort it has taken to establish this college and the other new junior colleges and to move the existing colleges under a central administration. You have been a part of it. The cooperation of the legislature has been consistent with its 1963 authorization. The State Junior College Board has demanded and received tremendous efforts from its appointed members and its staff, and a fine record of planning and development has been established.

Of course, there have been frustrations. Of course the temporary facilities have sometimes been inadequate. Of course there has been a scramble for staff.

But here you are, the 1967 graduating class of Anoka-Ramsey State Junior College, and over west there on the Mississippi a permanent home is being completed for occupancy next fall. This event tonight is a mark of the success that can be obtained when dedicated individuals, organized local communities, and a forward-looking state government combine their efforts in a common cause.

It is important to consider that cause and these forces very briefly, for what is happening in Minnesota in the state junior college program can be—I hope it will be—the first stages of a truly different kind of institution.

There is an opportunity here—and throughout the United States where various experiments with two-year colleges are taking place—for community colleges which truly serve their communities. That will not happen unless someone tries to make it happen—but it is possible. We need pioneers with vision and courage to devote themselves to a task which will be fully achieved only after many years.

A number of opportunities are built into the structure of the Minnesota state junior college system. First of all, an attempt has

been made to preserve the unique local responsiveness of the former junior colleges.

Although they have the advantages of central management procedures, each college is relatively autonomous. The law which created these schools provided for local, advisory boards. These will eventually be as effective as the local community and the school administration want them to be, but the possibilities are there.

This means that a community college can truly be a community resource. Let's talk tonight about what it can be.

It can offer education to adults as well as to 18-year-olds. It can offer non-academic programs as well as academic programs. Its library can be a community library as well as a college library. It can serve part-time students as well as full-time students. It can feed students to universities and technicians to local businesses and institutions.

There is a marvelous flexibility which is possible and partly realized in nearly every junior college in this state. It is limited only by the imagination and effort which is present in its staff, among its advisors and planners, and in its students, who are potentially the entire community.

Another special possibility for the community college arises from the conception that there should be many of them and they should be located strategically for the convenience of their students. Minnesota is not the only place where these colleges are developing rapidly. There are now nearly 850 two-year colleges in the United States, and they are being created at the rate of one per week.

Partly this is happening everywhere—including Minnesota—because we have a huge population of young people who cannot be accommodated physically by the existing college structures. But partly it is happening because of a growing feeling that education beyond the high school should be located conveniently for all—that the educational needs of the society demand that most young people have more education than the twelve years we have been providing, and that they should be able to obtain this education as conveniently as possible. We now are behaving as if we felt that colleges should come to our young people instead of young people going to our colleges.

Not too many years ago, this would have been impossible. But today, even in a state with the geography of Minnesota and the sparsely settled nature of many of its areas, transportation is such that the borders of a community have been greatly expanded. This has made it possible in Minnesota for the State Junior College Board to prepare a plan for location of two-year colleges that puts the great majority of our people within commuting distance of higher education. And these schools will come to these communities, for our commitment to increased education is clear.

When they do come, these two-year colleges have the potentiality to interact with their communities in more than the traditional ways that educational institutions change communities.

If we put these two characteristics together—the unique commitment of the two-year college to respond to the local situation and the convenient location of these colleges for the great majority of our citizens—the possibilities expand tremendously.

Within our state we will soon have the opportunity for community colleges to serve as unique social institutions, as community resources to unite separated citizens and carry on a continuous seminar on the needs and opportunities of people who live together.

I see no reason that this community college and the others in this state should not become centers of community action—organizations that concern themselves with general community needs in a pattern similar to that served by the Community Action Programs of the war on poverty.

Perhaps they can become resources for the Community Action Programs that now exist, but this is much too narrow a conception of what it is possible to do. There are all kinds of poverty around us besides economic poverty, and the projected two-year college program in Minnesota provides an opportunity to deal with them.

Why shouldn't this community college and others like it become the instrument for analyzing the unique individual and coordinating needs of governments in its suburban setting—or rural setting as the case may be?

Why shouldn't this community college examine the needs and wishes of the citizens of this community for continuing education for adults—for the study of international relations, for home and neighborhood improvement, for additional technical training, for the study of art and literature and music?

Why shouldn't this community college become a resource for citizens, young and old, who need help in adjusting to life in the suburbs—who need to learn how to buy, how to borrow, how to get along with husbands and children and neighbors and village councils?

Why shouldn't this community college study the transportation needs of a community where the great majority of its citizens commute to work on inadequate streets and highways and travel miles to shopping centers?

Why shouldn't this community college become the place where the solution is finally found to the needs of racial balance in the metropolitan community—to plan for acceptance and educate citizens in the human relations problems that we are all going to face with greater and greater intensity?

Why shouldn't this community college become the place where people learn to grow old gracefully and retire without tension? This week I have conducted hearings in my subcommittee on Retirement and the Individual.

I am frightened by what I am finding out about our lack of preparation of people for a period which is going to become a larger and larger portion of our life span. In a young community, it is easy to ignore age because there is so little of it to be seen around; but it is coming and it is going to swamp us if we are not ready for it.

This is only a sample of what a community college can do if it sets out to become truly a community resource. And it can adjust to any kind of local situation because it has that flexibility built into its conception. And it can deal with these problems because it is convenient to the area it serves.

Last fall I heard a prediction that by 1985, one-third of our population between the ages of 20 and 30 will be unemployed, if we use present definitions of unemployment as a criterion for judgment. Community junior colleges are a way of dealing with that problem by extending education beyond the years that we have traditionally established.

But if they see their function entirely as an educational resource for 18-year-olds and 19-year-olds who go on to universities or jobs, they will be missing a great opportunity. These colleges can become community centers that deal with the new kind of life we are all facing, that recognize that the day is coming when a 65-year-old man or woman will be physiologically equivalent to a 45-year-old man or woman today and will try to do something to wipe out the horrible poverty of spirit that such a citizen may face.

Those of you who are graduating tonight are the first formal products of a new experiment in education that can help to transform community life. Wherever you go from here, I hope you will remember all of the possibilities that this experiment can produce.

And I hope that you will watch this community college grow, and help it grow, so that wherever you may spend your life in Minnesota or elsewhere, community resources like Anoka-Ramsey Junior College will continue to serve you, your families, and your neighbors as you are entitled to be served and as community colleges are uniquely equipped to do.

THE IRSTON BARNES REVIEW OF JUSTICE DOUGLAS' "THE VANISHING WILDERNESS," SUPPORTS THE BIG THICKET NATIONAL PARK BILL

Mr. YARBOROUGH. Mr. President, in the July 20 Washington Post, Mr. Irston R. Barnes reviewed Justice William O. Douglas' eloquent book on Texas, "Farewell to Texas, the Vanishing Wilderness." By this review, Mr. Barnes, who is chairman of the Audubon Naturalist Society, an organization devoted to the promotion of conservation in the District of Columbia, joins the ranks of praisers of Justice Douglas as "the most forthright and independent spokesman for recognition of, and prompt action to preserve, our heritage of natural values."

The Big Thicket region of eastern Texas is part of "the great and varied, although fragile and easily destroyed, natural beauty" of the Lone Star State which Justice Douglas writes about. He praises the Big Thicket as an "area of speculation" remarkable for its plant communities and calls for Federal recognition of the area in order that the once great forest now reduced to one-tenth of its original size be adequately preserved—in time. My bill S. 4, creating the Big Thicket National Park was introduced to accomplish this purpose.

Mr. President, I ask unanimous consent to have printed in the RECORD the book review of Mr. Justice Douglas' book to which I have referred, entitled "Where the Ahabs Devour," written by Mr. Irston R. Barnes, and published in the Washington Post of July 20, 1967.

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

WHERE THE AHABS DEVOUR

(By Irston R. Barnes)

With the appearance of "Farewell to Texas," Justice William O. Douglas becomes the most forthright and independent spokesman for recognition of, and prompt action to preserve, our heritage of natural values.

To Justice Douglas, as to most Americans, Texas was synonymous with dry plains and oil field wastelands. But after six years of exploring its vanishing wilderness, he gives us an authoritatively minted, two-sided coin:

Texas was originally a state of great and varied, although fragile and easily destroyed, natural beauty, and much that remains is worthy of preservation. Texas also presents the ultimate of all the forces working to destroy the natural values of the American scene. Conservationists in Texas are "a lonely lot."

Texas has one national park in full operation, another in process of creation and a third proposed.

Big Bend National Park has its challenging Rio Grande canyons, its relic forests in the Chisos Mountains and its dramatic geology everywhere, but these were only part of the reason for its creation. The ranchers who had worn out the land with overgrazing wanted to be "bailed out" by the Government. Thus Big Bend is also "a monument to free enter-

prise that was unrestrained and private initiative that knew no standard except greed."

In far western Texas, the Guadalupe National Park is in process of establishment, having been started with important gifts of land by some Texans and strong support from others. It is indeed a geological wonderland. But this area, like Capote Falls (which Douglas recommends as the core of a wilderness area) can never stand the human erosion through overuse which has become characteristic of some of our most famous parks.

The third potential national park, delineated in a bill sponsored by Sen. Yarborough, is the Big Thicket region of eastern Texas. The Big Thicket is an "area of speculation" which is remarkable for its plant communities. Justice Douglas would have liked to see it a wilderness area, but no single area of 5000 acres remains. The quality of the opposition to this park may be judged by the poisoning of a 1000-year-old magnolia, reportedly to make the area less attractive for a park.

How Justice Douglas came to be the voice of conservation is a story in itself, tracing back to his boyhood days as described in "Of Men and Mountains." He writes from direct personal observation and experience, not with poetic descriptions of landscapes or philosophical speculations but with the outdoorsman's response to the full spectrum of the natural world.

Borrowing from the Old Testament, Douglas has given us a new word—the "Ahabs," referring to the king who despoiled his subject's vineyards (I Kings, Chapter 12)—for all the anticonservationists who, by putting profit ahead of other considerations, are destroying the Nation's heritage.

Ahabs are strongly entrenched in Texas (and elsewhere). They are the lumber barons who are destroying the Big Thicket at the rate of 50 acres a day; the stockmen whose cattle, sheep and goats are still converting range into deserts; the oil companies which are creating wastelands with pollution.

They are also the public utilities and the pipelines, whose rights of way scour the countryside, and the dam builders, particularly the Bureau of Reclamation tribe. And perhaps most surprising, the Ahabs are in the saddle in the National Park Service, with its new slogan of "Parks for people," moving ruthlessly ahead with overdevelopment programs.

A reviewer may dissent on details. I should reject outright the proposition that the golden eagle causes substantial damage to livestock. But all must applaud the vigor and accuracy with which Justice Douglas identifies what must be done and where the opposition lies.

GOVERNMENT INJUSTICE TO BUSINESS

Mr. BAYH. Mr. President, the junior Senator from New York [Mr. KENNEDY] has written a very interesting and informative article on the need for reforming the procedures followed by Federal administrative agencies.

Senator KENNEDY stresses the far-reaching effect exerted on business and private rights by regulations and determinations of some three-score Federal agencies.

Although the Senate approved a bill last year, which was designed to improve the administrative process, it was not acted upon by the House of Representatives during the 89th Congress. Again, this year the Senate Subcommittee on Administrative Practice and Procedure has before it a measure which would revise the Administrative Procedure Act of

1946. Extensive hearings on this measure have been held under the chairmanship of the Senator from Missouri [Mr. Long], and careful consideration has been given to the divergent viewpoints expressed by public officials, various organizations, and a number of individual citizens.

Senator KENNEDY has drawn upon his extensive knowledge of the governmental process, in particular his experience as Attorney General, to point out a number of current problems in the area of administrative rulemaking and adjudication. He cites a number of examples of delay and suggests several guidelines for impartial and equitable settlements.

Mr. President, it is important that every effort be made to insure that Federal statutes assist rather than hinder the establishment of expeditious and consistently fair administrative procedures. Because of the significant contribution which the Senator from New York has made to the consideration of this important topic, I ask unanimous consent that his article, entitled "Government Injustice to Business," which was published in the June 1967 issue of *Nation's Business*, be printed at the conclusion of my remarks.

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

ROBERT KENNEDY ON GOVERNMENT INJUSTICE TO BUSINESS

We are properly concerned today about the rights of indigents, of those accused of crime, and of individuals suing and being sued in civil court cases. But we should also be concerned about federal administrative agency action against business, large and small.

The importance of these agencies in the day-to-day business affairs of American companies can hardly be overstated and may not be fully appreciated by the public.

And, despite giant strides in recent years in the quality of justice dispensed by these agencies, we still have not achieved the high degree of fundamental fairness to which business concerns are entitled.

People differ, of course, about what is fair. Administrators differ, just as businessmen do. In fact, one of the few times I have heard businessmen all of one voice on this subject was after the Big Steel price controversy of 1962, when they apparently agreed to a man that what this country needed most was a new Attorney General.

Today, there are some 55 to 60 federal administrative agencies with rule-making and adjudicative powers affecting private rights. Virtually every business in the country is subject, or potentially subject, to one or more of them.

Matters in dispute range from a few dollars or a single product to millions of dollars, thousands of employees, dozens of mergers and huge stock offerings.

There are approximately twice as many agency hearing examiners as there are Federal District Court judges. And yet these agencies, despite their importance, remain what a Presidential committee called them almost 30 years ago, "a headless 'fourth branch' of the Government."

The progress made in recent years in improving agency processes has come about in part through internal, self-induced reform, in part by legislative edict and in part through pressures by the bar.

Since the passage of the Administrative Procedure Act 14 years ago, most agencies have been acutely aware of their own shortcomings and have instituted reforms.

The fact remains, however, that the law

administered by these agencies is still not as fair, equitable and expeditious as we have a right to expect.

I here discuss only two aspects of needed reform, although many could be mentioned. The first is delay in adjudication, and the other is a more precise and universal application of the simple rules of ordinary justice that have long been enforced by our courts.

TOO MUCH DELAY

Delay is a relative factor. More than 48 hours to process the claim of a veteran's widow may be too long, whereas 18 months to place in hearing the location of interstate pipelines might be so short a time as to prejudice the right of parties to intervene and to gather and present evidence.

But we can generalize about delay at least to this extent: The agencies take far too long to decide some cases. A couple of examples will suffice.

On June 16, 1952, the Federal Trade Commission issued a complaint against Pillsbury Mills, Inc. (now the Pillsbury Co.), charging it with violating Section 7 of the Clayton Act (the so-called "anti-merger" section) by its acquisition of Ballard & Ballard. The complaint was later amended to include a charge relating to the additional purchase of the Duff Baking Mix Co., a Division of American Home Foods.

Hearings in the case began on Sept. 23, 1952. The Commission completed its direct case in January, 1953, and in April of that year the hearing examiner ruled that the Commission had failed to make a case.

This decision was reversed by the full Commission in December, 1953, and thereafter Pillsbury began putting on its evidence. This was not completed until June, 1957. Rebuttal hearings by the Commission ended in January, 1958.

In other words, it took almost six years for the case to be tried. By then, the testimony totaled more than 32,000 pages and exhibits accounted for many thousands more.

Thereafter, the FTC did not rule until Dec. 16, 1960, when it held that Pillsbury's acquisitions violated the Act. Years passed before both sides had designated the portions of the record to be printed, the printing had been completed and the case was ready for argument in the Fifth Circuit Court of Appeals.

The Court decided the case on Jan. 7, 1966, holding that Pillsbury had been denied a fair hearing because Congressional subcommittees had interrogated Commission members about the case before the Commission had reached the merits.

At this point, the Commission was faced with the decision of whether to take new evidence against Pillsbury, to review the outdated record again with new Commission members, to start all over or to dismiss the complaint.

It dismissed the complaint.

Thus, more than 13 years elapsed between the filing and the dismissal of this complaint. The substantive issues at stake in the case were never finally decided.

I do not pass judgment, of course, on the merits of this case, nor do I lay the blame for the delay at anyone's door. I merely point out that no matter how complex, a case which takes 13 years to decide (and even then is not decided on the merits) is an example of the administrative process gone awry.

THE PENNSY MERGER

A second example is the proceeding before the Interstate Commerce Commission involving the merger of the Pennsylvania Railroad Co. and the New York Central Railroad Co. The joint applications for merger were filed in that case on Mar. 9, 1962. Hearings lasted from August, 1962, until October, 1963, with a brief reopening for further testimony in September, 1964.

In all, there were 129 hearing days, 291

prepared statements, 450 witnesses, 20,051 pages of transcript (five million words) and approximately 20 bound volumes of additional exhibits.

The two hearing examiners ruled in favor of the merger on Mar. 29, 1965. The Commission did the same on Sept. 19, 1966, and subsequently ruled on petitions for rehearing. Applications for an injunction were filed in court by intervenors, and the case was recently remanded by the Supreme Court for further review by the ICC.

In other words, this important merger between two huge railroads has not finally been approved or disapproved more than four years after the applications were filed.

I certainly do not mean to imply that cases like this, which involve many parties, tremendously complex facts, and numerous legal issues, can be or should be decided overnight. Obviously, the development of a proper record for the adjudication of some cases necessarily takes a substantial amount of time. But just as obviously, businessmen are entitled not to have their cases bogged down in red tape, irrelevant facts, unnecessary haggling, and the like.

FAIRNESS ALSO AN ISSUE

Another area of concern is whether the agencies, even today, are being as fair and impartial in all their dealings with businessmen as simple justice requires.

We often hear that the agencies were designed to decide cases more informally than courts and that they are not strictly bound by the rules of evidence or other strictures enforced in a court of law.

This is partly true.

But an informality of procedure can never serve as an excuse for the denial of basic rights. That is why it is important to restate certain truisms that should govern all agencies in the decision of cases.

1. A case should be decided only on the basis of a public record after all the facts have been presented. It should never be prejudged.

In an airline case a few years ago, the Civil Aeronautics Board issued an order instituting an investigation to determine whether two-carrier or three-carrier service between Seattle and Fairbanks would not be preferable to the then prevailing four-carrier service.

The result of such a decision would have been to terminate Pan American's certificate to serve the route.

In its order, the Board stated the issue to be whether certificates should not be terminated or amended "in accordance with the tentative conclusions set forth in the attached study."

Both the attached study and the ordering paragraph of the order itself included detailed recitals of facts, reasons and conclusions.

On review the court pointed out that, in effect, "The Board made an ex parte decision *in camera*, and then set hearings, giving an opportunity to the affected parties to show cause why the decision should not be carried into effect."

Such a procedure was illegal, said the court, for it is an "indispensable principle that a case must not be prejudged by the tribunal that is going to hear and decide it. . . ."

2. Each case must be decided without bias, and the appearance as well as the fact of impartiality is essential to a fair result.

In a 1966 case, the court pointed out that the chairman of the Federal Trade Commission, prior to his appointment, had been chief counsel and staff director of the Senate subcommittee that had investigated the manufacture and sale of tetracycline.

While with the subcommittee, he had been responsible for statements to the effect that tetracycline prices quoted by various drug companies were artificially high and

collusive and that there had been improprieties in the transfer of patent rights between two of these companies.

These same issues and same companies were subsequently involved in a case decided by the Federal Trade Commission and participated in by the chairman.

Since the court concluded that the chairman had formed an opinion as to the facts before hearing the evidence in the Commission case, his participation in the decision constituted a denial of due process, even though his vote was not necessary for a majority.

The court remanded the case for a new hearing without the participation of the chairman.

3. Agencies should be relatively consistent in their rulings or at least prepared to explain why inconsistency is warranted.

A Federal Communications Commission case reflected a subsequent chapter in the well-known television scandal of 1960 involving rigged quiz shows. Two producers of these shows owned stock in WGMA, a radio station in Hollywood, Fla. As the result of a hearing to determine whether the station's license should be renewed, the examiner found that while the producers had engaged in censurable conduct, they had violated no law then in effect and WGMA itself had provided outstanding service.

Therefore, the examiner recommended renewal of the license.

The Federal Communications Commission reversed on the ground that the producers lacked the requisite character qualifications to be licensees.

It developed, however, that while the WGMA case was proceeding, the Commission was also considering applications for the renewal of operating licenses by the National Broadcasting Co., the network which had carried, and for a time owned, the same quiz shows involved in the WGMA case.

The examiner in the NBC proceeding found that the network had framed its conduct in regard to these shows in response to business necessity rather than public morality. Nevertheless, he too recommended renewal of NBC's licenses.

The Commission denied a request for reconsideration of its WGMA ruling.

One week later it affirmed the examiner in the NBC case and renewed NBC's licenses without any mention of the network's role in the deceptive quiz shows.

The Court of Appeals reversed and remanded the WGMA decision, pointing out that "the Commission's refusal at least to explain its different treatment of [WGMA] and NBC was error."

4. Agencies should adopt reasonable standards by which parties can anticipate future action.

Several years ago, the Civil Aeronautics Board discontinued Eastern Airlines' service between New Haven and New York City, and further held that Allegheny Airlines' service to New Haven and Bridgeport should be consolidated at the Bridgeport airport.

The cities of New Haven and Stratford (where the Bridgeport airport was located) appealed. The Court of Appeals found that the Board had totally failed to develop standards by which interested parties could predict with any assurance what decision could be expected in such cases. The Board had also reached its decision "with prolific indifference" to its own earlier policy statement.

The court concluded that the Board had acted in an arbitrary and capricious manner.

5. Agencies should not use overly technical and unrealistic interpretations of rules and regulations in such a way as to destroy property rights.

An example is an Interstate Commerce Commission case involving several moving

companies. The Commission issued an order which interpreted the term "household goods" in its rules. A group of motor carriers, each of which possessed a certificate of public convenience and necessity designating them as carriers of "household goods," brought a suit to enjoin the Commission on the ground that the traditional understanding in the industry of "household goods" had been substantially changed by the order, and the companies' property rights had been narrowed, without a hearing and therefore without due process of law.

The court agreed.

The court pointed out that the "interpretative" order required a change of dwelling of a householder or a change of location of a business establishment. This requirement was nonexistent prior to the order, and therefore the Commission had injected a new concept into the meaning of "household goods."

6. Each agency must allow the correction of errors or mistakes which are not the fault of the party against whom they operate.

In 1960, Clark Tank Lines Co. applied to the Interstate Commerce Commission for a certificate to transport fertilizers between points in Washington and in interstate and foreign commerce.

The Williams Co., which already held such a certificate, indicated to the Commission by letter that it intended to oppose the application.

However, prior to the hearing, Clark's attorney called Williams' attorney and agreed to an amendment which would have the effect of eliminating Williams' interests in the proceeding.

As a result of this stipulation Williams was not represented at the hearing on Clark's application, and the examiner granted a portion of the authority requested, but not authority between points in Washington. Thereafter, the Commission, without notice to Williams, increased the authority recommended by the examiner to include transportation of fertilizers from and to points in Washington.

Williams did not learn of this development until it found Clark soliciting its shippers.

Williams promptly requested hearing as to the relevant facts, including whether the notice of the stipulation had actually been in conformity with the agreement between counsel. This petition was denied by the Commission without a hearing.

7. Such traditional rights and privileges as the attorney-client relationship should be carefully protected.

Not many years ago a Court of Appeals had to reject a contention by the Civil Aeronautics Board that documents exchanged between the Air Transport Association and its attorneys were nevertheless subject to production by subpoena. The court quite properly observed that "The very existence of the right of counsel necessitates the attorney-client privilege in order that a client and his attorney may communicate between themselves freely and confidentially."

EXCEPTIONS TO RULE

I want to emphasize that by the use of these few examples I do not mean to reflect in any way upon the over-all operation of the administrative agencies. These cases are, instead, exceptions to the high standard of fairness established by the agencies themselves. The point is that as long as these exceptions do exist—as long as the agencies do have unmet problems—we should acknowledge them and attempt to improve the administrative process.

Actually, the vehicle by which many of these problems can be met and ameliorated is already at hand.

President Kennedy sent a "Special Message on Regulatory Agencies" to the Congress on Apr. 13, 1961. He announced an executive order calling for a conference of agency personnel, the bar and university faculties.

He said the conference would consider questions concerning the effective dispatch of agency business, "along with the desirability of making this conference, if it proves itself, a continuing body for the resolution of these varied and changing procedural problems."

The conference, which totaled some 75 members, studied and experimented, with the finest professional assistance procurable, for almost two years. It produced a recommendation as to how the delay, procedure and expense in administrative proceedings in government could best be attacked.

I was the President's executive agent in the venture, taking part in the preparation of the executive order and in the selection of the group's members. I believed in what the conference was trying to establish then, and I still do. In particular, I supported the creation of a permanent Administration Conference so that a continuing effort could be made to solve these troublesome and frustrating agency problems.

Congress passed and President Johnson signed a bill in 1964 which established a permanent Administrative Conference. The Act pointed out that "the protection of public and private interests requires continuing attention to the administrative procedure of Federal agencies. . . ."

The conference was to consist of not more than 91 and not fewer than 75 members, to be drawn not only from the agencies themselves but from outside sources. The conference would study administrative procedure, make recommendations to the individual agencies and also to the President, collect relevant information and see that the information was interchanged between agencies.

Perhaps most importantly, the Act provided for the appointment of a full-time conference chairman, to serve for a five-year term.

NEEDED: A SPARK PLUG

The importance of this provision lies in the fact that at present, no one within government has an overall, continuing responsibility to see either that the agencies improve their own procedures or that improvements are imposed upon them. The agencies themselves, of course, are concerned about their own affairs; various Congressional committees exercise some degree of supervision; the President has the ultimate responsibility.

But no one man goes to work each morning with the single responsibility of strengthening the processes of all the agencies.

As yet, despite continuing and persistent efforts by the Administration, a suitable man has not been found to take on the important task of chairman of the Administrative Conference.

Yet the need for such an individual is as great now as when the Act was passed. For while the ombudsman of Norway, Sweden, Finland, Denmark, New Zealand and Britain may not be an appropriate innovation insofar as our agencies are concerned, there is no reason why we should not make a single official responsible for bringing about as many improvements as possible in administrative procedure.

The chairman of the Administrative Conference would seem to be the logical official to undertake such a task, especially since, under the Act he can receive complaints and render reports on his own.

A permanent Administrative Conference undoubtedly will not be the only answer. The agencies are capable of much self-help. The rendering of advisory opinions by the Federal Trade Commission is the type of step in the right direction that does not require intergroup action.

But experience has also shown that without such a conference, many needed improvements will not be achieved.

It is well worth the effort, at least, because business, large and small, is entitled to the

finest quasi-judicial mechanism we can advise to protect rights, expedite hearings and assure fair and equitable results.

It is only when business is satisfied that law is being administered both with dispatch and with complete fairness to all that we can be fully satisfied with our "fourth branch" of government.

SENATOR EDWARD BROOKE LEADS THE SENATE IN OUR PRESENT DOMESTIC CRISIS

Mr. HANSEN. Mr. President, the Senator from Massachusetts [Mr. BROOKE] introduced Senate Resolution 146 to establish a Select Senate Committee on Civil Disorder.

Today, I want to express publicly, as I have often done in private, my feelings of great respect for Senator BROOKE and my deep sympathy for the effort which it is his to make in the Senate.

Senator BROOKE and I have been here only a short time. But there is no Senator who has made a greater impression on me, and I am sure on others of this body, than EDWARD BROOKE. His intellectual honesty and his unstinting energy have repeatedly brought enlightenment to the debates in which we have engaged, both in and out of the Senate.

Yesterday, Senator BROOKE said:

We are dividing the Nation at a time when unity is crucial. We are erecting almost insuperable barriers to the achievement of that society of equal opportunity which America has promised.

Senator BROOKE is one of the many men of good will who have spoken out recently on the domestic crisis posed by rioting and violence in our northern cities. Yesterday and today, three of this country's great newspapers editorialized on this crisis. These editorials, from the New York Times, the Wall Street Journal, and the Washington Post, remark on different aspects of the common problem, but they are all marked by a high degree of sensitivity, forthrightness, and a dedication to find some solution to the conditions giving rise to the problem. I can find much to agree with in all of these editorials.

I ask unanimous consent that the editorials be printed at this point in the RECORD.

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

[From the New York Times, July 25, 1967]

RULE OF LAW

In a country ruled by law, maintenance of civil authority and protection of life and order are absolute requisites, the premises on which the social fabric rests. While suppression is obviously no cure for the root causes of the rioting that has shaken Detroit, Newark and other American cities in recent days, the arsonists and the looters have to be dealt with as the criminals they are. And if Federal troops have to be called in, as they were to the Detroit area, then there can be no hesitation in calling them to restore and preserve the peace.

The firebombers and snipers—and the leaders of radical Negro organizations who provoke and excuse lawbreaking—are harming not only innocent white persons and their homes but the majority of Negroes trying to break out of the slum life, turning back in suicidal anger the forward thrust of community confidence and civil rights

legislation, damning themselves and their larger cause.

The fires must be extinguished, the rifles taken from the hands of rioters, and punishment meted out to fit the crimes. While stores burn and rocks are thrown at firemen, the cries of police brutality sound feeble as excuses for inexcusable criminal conduct. Police and firemen must be supported in their painful assignments—and responsible Negroes, it should be pointed out, have protected them in some neighborhoods.

But it was the irresponsible Negroes who prevailed at the National Conference on Black Power in Newark—and sent forth a drumbeat of hostility around the country. The violent elements there preached hatred, separatism and revolution. They have seriously harmed the constructive aims—economic self-improvement and full exercise of political rights—of the black power movement itself. They have betrayed the potential of that conference as a positive force for good.

Here is where an immediate need exists for responsible Negro leadership in the United States to speak forth quickly and uncompromisingly. The Negro leaders who have labored in the ghettos of the northern cities, on the marches in the Deep South, and in the vineyards of Congress and the Supreme Court now have the responsibility to condemn the violence and the lawbreaking. The saner voices of the Negro community must be heard with greater fervor than those of the sick nationalists, first, to support the forces of law and, second, to recapture the non-violent leadership that is the only cause for a genuinely forward advance of the Negro people.

Lack of equality and opportunity in jobs, housing, education are underlying causes of social unrest. Governor Rockefeller underscored this theme yesterday while condemning the violence.

"We have to understand the causes of this frustration and eradicate them," he declared. "When a child of a Negro family has his nose and ears chewed up by rats, the family loses hope in the society. . . . At its deepest and most fundamental level, this is a human problem and must be met with a human effort."

But until the rule of law—and, as important, respect for the law as the strongest weapon in safeguarding rights of Americans regardless of color—prevails in riot-torn cities, the basic and essential human effort to improve these conditions can only be distracted, distorted and delayed.

[From the Wall Street Journal, July 24, 1967]

RIOTS AND MORAL AUTHORITY

The time has come for a few second thoughts about the folk wisdom that the only cause of racial riots worth talking about is intolerable conditions in urban slums.

In the last few weeks, after all, disturbances have rocked not only Newark but several more idyllic places. Molotov cocktails suddenly appeared in Waterloo, Iowa. In sleepy Nyack, N.Y., a crowd of Negro youths responded with a window breaking spree when police ordered them not to loiter.

In these places—as David Paul Garino recently documented on this page with respect to Waterloo—no one can really blame the violence on high unemployment, inferior schools or oppressive housing. Doubtless these factors are critical in the far more brutal rioting in places like Newark; but outbursts elsewhere indicate other causes are also operating.

Important among those other causes, there is every reason to fear, is the force of example and fashion. Part of the problem is that Negro riots are in style.

If this is so, the folk wisdom produces a highly inappropriate reaction to the rioting. For while perhaps no outsider can reach the truly alienated among Negro youths, dis-

couraging a vogue of violence is a task of moral authority. And many of those in a position to express such authority have been perfunctory in their reproach to violence and eloquent in their sympathy for the high motives they attribute to rioters.

When reporters asked President Johnson to comment on the Newark riots, for example, his first reaction was to plug his legislative proposals for rent supplements, model cities and poverty wars. The general thrust of his comments was that the rioters were reacting, though in a misguided way, to the legitimate needs of the Negro community.

The gravest hint of reproach in the President's remarks was, "No one condones or approves—and everyone regrets—the difficulties that come in the Watts, the Newark and the other places." Many comments in the press and by moderate civil rights leaders showed similar combinations of carefully hedged regret, profuse sympathy for Negro grievances, and implicit or explicit blame for anyone who did not back the latest welfare proposals.

This view, of course, is not without a certain foundation. Conditions in Newark are pretty beastly. While it seems fatuous to blame whites because Newark's city council does not reflect the city's Negro majority, political leadership there has not always been foresighted. And, while reasonable men can differ on the efficacy of many programs to help slum residents, they clearly do need help.

Even so, drawing a close connection between these causes and the riots undeniably tends to justify the rioters. We question whether any good purpose is served by draping the mantle of civil rights around looters and burners.

We further question whether the argument that riots prove the need for social legislation advances such proposals in any meaningful way. If any particular program does help cure slums, it would be desirable even without riots. And no riot will be prevented by any program so ineffective it cannot stand on its own merits. Indeed, ineffective programs no doubt help breed riots by raising false hopes.

Connecting riots and social uplift programs, moreover, allows new programs to be pictured as rewards for rioting. Similarly, linking looting with legitimate grievances maligns the vast bulk of Negroes who share the grievances but are victims rather than perpetrators of violence.

Finally, blurring the distinction between rioting and expressing legitimate grievances dilutes the reprobation that moral authority should attach to violence. It is not especially comforting to know that the President of the United States does not "approve or condone" rioting. In talking of fire-bombers and police killers, we'd think, he might at least escalate to a verb like "condemn."

New Jersey Governor Richard Hughes, who was appalled by the holiday atmosphere he personally saw among Newark rioters, caught the right tone in saying the riot "was plain and simple crime and not a civil rights protest." Certainly rioting is at most a grotesque debasement of anything to do with civil rights, and the Governor usefully asserts the authority of a responsible man's utter abhorrence of mass violence.

Governor Hughes' attitude, we hasten to add, certainly does not prevent him from advocating programs to meet slum grievances, nor from also raising the voice of moral authority to exhort white citizens who still too frequently retain residuals of racial prejudice. The important thing is that he does his advocating and exhorting at another time and in another context.

While public authorities should condemn rioting forthrightly, their reactions could also usefully reiterate one more positive

point. The most striking thing in our Mr. Garino's exploration of Negro attitudes in Waterloo was that the youths had low self-images and expectations. These attitudes hardly seem justified at a time when many Negroes are in fact escaping the slums. Public spokesmen should stress that while riots can accomplish nothing, there is an alternative that demonstrably does succeed for Negroes as well as whites. The alternative is personal effort.

No comments by public figures, it's true, are likely to prevent all the riots the nation is now experiencing. But to the extent the riots are spread by fashion and example, leaders should try to combat them by reacting with untempered condemnation and emphasis that responsible alternatives do work.

Even if it has no discernible effect on future violence, that reaction would at least be a more responsible discharge of moral authority than praising rioters with faint reproach.

[From the Washington Post, July 24, 1967]

ON BLACK POWER

Black power is, more than a slogan, an idea with many very promising uses for Negroes and for the country generally. The hysterical reaction that generally greets the phrase speaks poorly of American common sense.

Lower class big-city politics in this country has almost always been ethnic politics. If there is to be strong leadership and real political power in the Negro wards, it will have to be, necessarily, black power. One very strong element in the grievances that lead to rioting is the powerlessness and the leaderlessness that leaves the Negro population disastrously underrepresented in a city like Newark where most of the people, but only two of the nine city councilmen, are Negro. The remedy has to come from within these voiceless communities. If the idea of black power assists the internal organization of political strength in the Negro slums, then it will have served a very useful national purpose indeed.

Currently a vigorous struggle is under way among Negro organizations over the possession of the copyright to the label "Black Power." The phrase appeared, certainly, at a time when the country was greatly preoccupied with the ghetto riots. Now a group of Negro leaders, styling themselves a Black Power Conference, have unfortunately chosen to meet in Newark while the ashes of the riot are still warm. They hope, no doubt, to establish an identification between themselves and the people of the Newark slums. But while these visitors are for the Newark slums, they are not of the Newark slums. The Negro slums of Newark have very few genuine spokesmen of their own, and that constitutes a very large part of the city's tragic collapse into anarchy.

Some of the people at the Newark conference, certainly, have continued to use the phrase "black power" as a threat of further violence. But to be truly powerful, the spokesmen of the slums will discover, like other ethnic politicians, that they need firm alliances with other constituencies. For this reason it is suicidally destructive to hint that power means riot and arson. On the other hand, it is a perfectly legitimate use of black power to threaten the mayor of Newark with a recall referendum, as Mr. McKissick of CORE is threatening him. Recall is a weapon written into the law for precisely the purpose that Mr. McKissick proposes to make of it. There is power in the law, and it is there for black as well as white to grasp.

It is ironic that in the world's most powerful country the very word "power" should have such a strong connotation of evil and violence. Power politics means, for example, amoral politics. The phrase "Catholic power"

usually appears in arm-waving rhetorical attempts to prove that the Vatican is trying to take over the country. Talk of Jewish power is a constant staple of anti-Semitism. And now we have black power with its strong overtones, in most Americans' minds, of riot and gunplay. Black power will never exist as a monolithic national force, but there is room for many kinds and degrees of black power in this country.

Negro intellectuals and the theorists of the civil rights movement have been debating for some time whether their future lies with integration or with black power. The answer is, of course, that it lies with both. There is no need to choose between them.

More Negroes than ever before, in the next decade, will move into the predominantly white suburbs and into the predominantly white world of high salaries and security. But the great paradox is that, simultaneously, more Negroes than ever before will live in the heavily Negro inner city precincts. For these citizens a great avenue to opportunity lies through black power, exercised legally but forcefully at the polls, in the market place, in the councils of government, in the national tradition of the use of power.

Mr. HANSEN. Mr. President, for my own part, I can bring to the Senate no complex formula for understanding or dealing with this problem. But I merely wish to state my conviction that the path to a better life for all Americans lies not through anger, violence, and the threat of separatism.

The first tenet of democracy rests upon a willingness of all citizens to observe and respect the law. Progress of civilized mankind is best assured through the maintenance of order. The whole thrust of cooperative effort among and within nations has been based upon the recognition that violence and war are improper means for the achieving of civilized ends.

We must always insist upon observance and respect for the law. This is our first and foremost duty and responsibility.

Further, I am convinced that real progress can only be achieved by men of good will who are able honestly to tell of their peoples' grievances and oppressions and who will then work responsibly for their relief.

I am also convinced that the U.S. Senate must have the courage to lead out in this effort. Criticism is not enough. The Senate cannot satisfy itself with merely decrying the misguided efforts of black power advocates if we do not provide a forum where the responsible political leaders of our Nation's minorities might be welcomed and heard. Good faith requires a recognition of the common problem in the Congress as much as in the street.

In today's New York Times, one expert on urban and racial problems, former Assistant Secretary of Labor Daniel Patrick Moynihan, is reported to have said:

It was possible to foresee what was coming, but we couldn't get the country to get serious about it.

That may be true.

I ask unanimous consent that today's New York Times article entitled "Moynihan Blames Low Status, Not Race, for Riots" be printed at this point in the RECORD.

There being no objection, the article

was ordered to be printed in the RECORD, as follows:

MOYNIHAN BLAMES LOW STATUS, NOT RACE, FOR RIOTS—SOCIOLOGIST ANGERED NO ONE SAW VIOLENCE COMING—UPRISINGS LAID TO UNHAPPY, DISORGANIZED COMMUNITY

(By Paul Hofmann)

"It was possible to foresee what was coming, but we couldn't get the country to get serious about it. I am angry."

The speaker was Daniel Patrick Moynihan, a leading expert on urban problems, a former Assistant Secretary of Labor under President John F. Kennedy and President Johnson, and the director of the Joint Center of Urban Affairs of Harvard University and the Massachusetts Institute of Technology in Boston.

Interviewed yesterday about the rash of riots around the country, the 40-year-old sociologist said that he believed that class, rather than race, was at their root.

"Race interacts with everything in America," Dr. Moynihan said. But he emphasized that in his view the present violence was essentially caused by "a large, desperately unhappy and disorganized lower-class community" in American cities that happened to be prevalently nonwhite.

VIOLENCE A WAY OF LIFE

Dr. Moynihan was speaking from his farm near West Davenport in Delaware County, N.Y. He is using a vacation to write a book.

"Violence is a routine way of life with destroyed and broken families," he said. The sociologist recalled Karl Marx's term of lumpenproletariat (ragged proletariat) to denote a very low stratum in the class structure that is essentially anarchistic rather than revolutionary.

"Curiously," Dr. Moynihan observed, "life patterns among the lower class in East Harlem and the jet set of the East 50's are almost identical—they like their dances, take existence casually."

The chasm between the lower class and the real working class is, in his view, widening. He said: "The boy who works in the post office at \$5,900 a year, who holds down a second job parking cars to pay interest on a home in Queens, the working class fellow who tries to keep the family together, to lead a decent life—he takes life pretty seriously. He cannot understand this [lower class] behavior and resents it. He keeps saying 'What do they want?'"

THE "MOYNIHAN REPORT"

In 1965, Dr. Moynihan wrote a government report, entitled "The Negro Family: The Case for National Action," which became widely and controversially known as the "Moynihan Report." The document argued that the true cause of the American Negro's plight was not so much segregation or lack of political power as an unstable family structure "approaching complete breakdown." The causes, Dr. Moynihan insisted, are the result of centuries of discrimination and economic starvation.

The report pointed to the absence of a husband from nearly two million of the nation's five million Negro families and contended that Negro children reared in fatherless homes found it hard to adjust to the country's essentially patriarchal society, especially when they were confronted also with poverty and racial injustice.

The sociologist, who himself grew up in a broken home and knew poverty in East Harlem, recalled yesterday that when he had submitted the information to the White House "the President accepted it, but the civil rights movement said 'No, no, you can't talk about that!'"

President Johnson planned to use the report, which offered no solutions, as a basis for discussion at the White House Conference on Civil Rights in Washington in July, 1966. However, according to Dr. Moynihan, a barrage of criticism from Negroes and whites

prompted the President to disassociate himself from the study, and the Negro family structure wasn't mentioned at the conference.

Critics of the report called it "glib" and even "racist." One civil rights leader, Floyd McKissick, said: "My major criticism of the report is that it assumes that middle-class American values are the correct values for everyone in America."

Since then, Dr. Moynihan has formulated recommendations to strengthen ghetto society, including a system of family allowances and Federal guarantees of jobs for the underprivileged. He has proposed, for example, that the post office be put back on two residential mail deliveries a day, thereby providing jobs for 50,000 needy men.

DUE PROCESS OF LAW

Yesterday the sociologist declared himself appalled by Negro nationalists and white liberals who were advocating or condoning ghetto violence.

"They'll have an awful lot to explain," he said, "because the one thing the American Negro now has is due process of law."

The present outbreaks endanger constitutional safeguards for ghetto dwellers, Dr. Moynihan asserted.

He suggested that a continued wave of riots would lead to "repression that gets more savage." He feared that United States society might "lapse into reaction, as happened in France."

Dr. Moynihan deplored the fact that "we have become accustomed to employing troops in our cities—that is the great symbol of totalitarianism in the world."

Mr. HANSEN. Mr. President, Dr. Moynihan is also quoted as saying "I am angry."

I am sure that is true. But the natural feeling of anger displayed by all of us throughout the country today, yesterday, and a week ago will bring us no permanent relief.

Rather, let us examine the facts and then stand ready to change those things which need changing.

Thus will America be strengthened. The inspired and quiet but forceful leadership of Massachusetts' newest Senator offers great hope to the country in this crisis.

WATER POLLUTION

Mr. WILLIAMS of New Jersey. Mr. President, the reduction in appropriation for sewage facility construction grants under the Water Pollution Control Act which is embodied in H.R. 11641, the Public Works and Atomic Energy Appropriation Act, is a matter for serious concern to all Americans.

Our Nation's lakes and streams, a heritage of limitless value, are being turned into running sewers. Once beautiful waterways are useless for water supply and recreation and are avoided as dangerous to the touch. They are polluted with industrial waste and raw sewage.

The Water Pollution Control Act has offered a program of accelerating Federal grants for sewage facility construction as a partial solution. This act has spurred many States, including New Jersey, to initiate bold and comprehensive pollution abatement programs in coordination with Federal and local efforts. Many States have set water quality standards and some have enacted grant programs of their own. These are de-

signed to supplement and stimulate use of the Federal program by municipal and regional sewer authorities.

But, nonetheless, it is an unfortunate fact that even with this encouragement, sewage treatment plant construction is barely beginning to meet our rapidly increasing needs. The hard-core and long-term pollution problems remain untouched.

Last year we tried to make this program more effective. We estimated that more than \$600 million would be needed in 1968 to begin to implement an effective program, and we authorized that amount. We are removed a grant ceiling thereby encouraging large-scale attacks on our most severe sewage problems. The House cut the authorized figure to \$450 million.

Last Thursday, the House Appropriations Committee reported the administration's recommendation—\$203 million, which is less than half the amount of the authorization. Experts tell me that this means that fewer sewage treatment plants will be built this year than were last year.

Representative HOWARD, of New Jersey, has offered an amendment to this bill which would restore the program to its authorized amount of \$450 million. I think this is a very wise move.

Water pollution control is an essential program in our industrial society. While cleaning up polluted rivers is expensive, it will be more expensive in the future. As the water of a river turns to a lifeless carrier of waste and decay, the loss becomes complete. Rehabilitation will be hard, slow, and very expensive. Experts state that this critical juncture has now been reached in many areas. If we solve our problem now, we can prevent this accelerating physical destruction.

The loss of psychological and human momentum is just as serious.

A slowdown in Federal action will be multiplied in the States. State legislatures which have been waiting to enact new enabling legislation will wait until next session—2 years in many States. Where standards have already been planned, and where project plans have been developed, bond issues will be delayed and financing lost. As of May, the Federal Water Pollution Control Administration had a backlog of 1,884 applications on hand, which required over \$2.8 billion in Federal funds to implement. There was but \$76 million left to meet this demand. The year 1968 will be more drastically out of balance.

New Jersey has already submitted 22 applications for Federal aid in 1968 totaling over \$13 million. More applications are being prepared. The already submitted projects alone will draw forth over \$29 million in non-Federal funds. Yet less than half of these urgently needed projects will be funded should the appropriation be cut. The situation is similar in most other States. The States have counted on Federal money to implement their programs. They have planned on this basis. Fluctuating and uncertain appropriations will kill the enthusiasm and momentum which has been generated and the Water Pollution Control Act will be a dead letter.

Last year, Congress assigned a high priority to water pollution control. We recognized that this is a problem which must be solved if we are to live under tolerable conditions, and we made a commitment to the States. The American people want clean water and are prepared to pay for it. Therefore, I commend Representative HOWARD's effort to appropriate the full \$450 million and, should it not be successful, I pledge to take up the effort in the Senate.

THE FINANCING OF HIGHER EDUCATION

Mr. MORSE. Mr. President, the Honorable Joseph W. Barr, Under Secretary of the Treasury, had occasion on June 18, 1967, to address the Sixth Annual International Conference for Credit Union Executives at the Americana Hotel in Miami Beach, Fla.

The address was entitled "Problems and Perspectives in the Financing of Higher Education."

It is a very interesting exposition of a problem which is of interest not only to the Treasury but certainly to the higher education community.

Because I feel it can be helpful to Senators at the time further amendments are made to the insured loan program I ask unanimous consent that it be printed at this point in my remarks.

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

REMARKS BY THE HONORABLE JOSEPH W. BARR,
UNDER SECRETARY OF THE TREASURY, AT THE
SIXTH ANNUAL INTERNATIONAL CONFERENCE
FOR CREDIT UNION EXECUTIVES

PROBLEMS AND PERSPECTIVES IN THE FINANCING
OF HIGHER EDUCATION

I appreciate the opportunity to meet with you today. I expect that I shall surprise you—but I hope that in the end I shall not disappoint you—if I do not address my remarks to the usual subjects that Treasury officials discuss. Such topics as Government and private finance, tax and monetary policy, the balance of payments, and the economic outlook, for example, certainly are as interesting to me as they are to you. But I believe it is imperative for the financial community—both public and private—occasionally to turn its attention to less parochial matters, particularly when we may have something useful to contribute to the development of ideas in other fields.

The example I should like to pursue today is the financing of higher education. Here is a topic that both private financial officials and Treasury officials do not, at first blush, consider part of their direct responsibility. Yet I would suggest that for several reasons this is a subject that should be of concern to us.

First, we are involved with finance, and higher education poses an important and growing financing problem in this country. To illustrate: In 1930, total expenditures on higher education in the United States were about \$630 million. In 1950 the figure had multiplied more than four times over—to about \$2.7 billion. In the current year, 1967, these expenditures are expected to reach a level of approximately \$16.8 billion, or over 25 times the 1930 level. Financing of this magnitude should not be ignored by those whose job it is to concern themselves with the nation's financial needs.

Second, precisely because the financing of education has received relatively little attention from the financial community, there is

a distinct possibility that we may have fresh ideas to contribute. The talent and ingenuity that characterize the financial institutions of this country—and our credit unions, which are one of the fastest-growing segments of the financial community—surely should be brought to bear upon this, one of the most basic problems facing the United States.

Finally, and most personally, the problem of college costs is one that will affect most of us individually. With costs continually rising, the vast majority of American families are finding it a burden to bear the college expenses of their sons and daughters.

I therefore propose to subject you to a few observations on this topic. I shall first review with you a recently enacted program that serves as a good example of the potential benefits of a cooperative public and private effort in meeting this problem. Then I should like to set before you some of the broader questions that all of us will have to consider.

Let me start from first principles. I believe that perhaps the most significant and unique characteristic of this country is our historical commitment to equality of opportunity. This is a nation built on the talents and energies of its people. It has derived its unprecedented strength from a commitment to give every young man and woman the opportunity fully to realize his or her potential.

In the United States of 1967, this commitment requires us to provide an increasing number of our young people with the higher education that is so vital in a sophisticated economy. At the same time, with rising college costs, higher education is an ever-increasing financial burden to American families.

In this important sense, then, financial aid for higher education is a critical national problem. It is these circumstances that necessitated a renewed commitment to the goal that *no young American who is admitted to college shall be deprived of an education for lack of the necessary financial resources.*

We have accepted that goal. The issue is, How do we achieve it?

I. The guaranteed student loan program

In the Higher Education Act of 1965, the Congress established a new approach to the problem of assisting students to meet college costs. Basically the program contains no radical departures from sound practices in other areas of finance. Rather it involves the application of experience gained in other areas to this vital problem. The program works as follows:

A college student applies to borrow up to \$1500 per year from his local credit union, bank, savings and loan association, or other lending institution. The terms of the loan provide for 6 percent interest, with no repayment of principal while the student is in school, and up to 10 years thereafter to repay. These are the sort of terms that students really need, and the basic concept here is that the acquisition of a college education is at least as sound a reason to borrow money as the acquisition of a house, an automobile, or a television set.

Although the loan and its terms may be just what the student needs, the credit union or other lender normally would not be able to extend such liberal credit to a student. To make the transaction feasible for the lender, the program provides for the loan to be guaranteed by a state or private nonprofit student loan guarantee agency. During the current academic year—the first year that this program has been in operation—the Federal Government advanced \$17.5 million in "seed money" to these guarantee agencies across the country, to provide the initial reserves that they would need to back up their guarantees. If the student should default on the loan, the guarantee agency promptly makes good to the lender.

For many students, even the loan terms that I have described would not be favorable enough. Accordingly, under this program the Federal Government provides an interest subsidy for students from families with income below about \$20,000 (the precise level varying with the size of the family). In these cases, the Government pays all of the interest while the student is in school and one-half of the interest after he leaves school.

As you can see, this is a cooperative effort in which the Federal Government, the State governments, and the private financial community all play a part.

The lending community, with its vast resources, supplies the actual funds.

The state governments, with their familiarity with local conditions, administer the guarantee arrangements.

The Federal Government, with the best credit rating in the world, stands ready to supply the ultimate backing and subsidizes part of the borrowing costs for lower and middle income families.

This is an example of what President Johnson refers to as "creative federalism."

Any new program requires a little time before it can be functioning smoothly—and particularly where a cooperative effort such as this is involved. To make sure that this loan program would progress satisfactorily, the President directed us a few months ago to study its operations and recommend any appropriate improvements. I was assigned the responsibility for coordinating the inter-agency study.

If I say so myself, we did a fairly diligent piece of work. We reviewed all of the data available. We consulted not only with experts within the Government, but also with representatives of the credit unions, the banks, the savings and loan associations, the colleges, and the state and private guarantee agencies, among others.

Our basic conclusion was that the program was well-conceived and had gotten off to a promising start, with an expected total by June 30, 1967 of \$400 million in loans to 480,000 students.

There were, however, some problems that required resolution. These problems did not lie in the area of student demand for loans. There seems little doubt that, as the program becomes known to students, they are finding it sufficiently attractive and useful.

The problems seem to relate to the other two parties to the arrangement—the lender and the guarantor.

With a fixed 6 percent interest rate, it appeared that the program was a loss operation for a great many lenders. The combination of high interest rates and tight money last year, plus the administrative costs involved in this program, discouraged many lenders.

The long-term nature of these loans also presents a potential problem. Smaller lenders such as some of the credit unions, and in the long run larger lenders as well, could face liquidity problems if too much of their funds became tied up in these loans.

Guarantee capacity generally has been adequate up to now, but we could see clearly that it would not continue to be adequate in a number of states for the coming year. The reserves of some of the state and private agencies had consisted solely of the Federal "seed money" advances that I have mentioned. With these funds exhausted, the states would have to supplement the guarantee reserves, or the Federal Government would have to provide additional support in some fashion.

We are convinced that these problems can be dealt with successfully, and we are moving to deal with them. Here are the steps that are in progress.

1. Since we cannot expect the private financial community to support a major loan program on a loss basis, we have proposed an amendment to the law that would author-

ize the Federal Government to pay loan placement and conversion fees in amounts up to \$35. The amount of the fees would be adjusted from time to time, to take account of varying costs of money and administrative costs. Basically, however, the fee authority would assure lenders that they should not have to take a loss on these loans.

2. The paperwork involved in the program also can and should be reduced to cut costs. We are substantially simplifying the application forms and procedures, and we have proposed a statutory amendment that would provide, at the lenders option, a simplified method of collecting the interest subsidies due from the Federal Government. Along the same lines, we have proposed to reduce administrative expenses by combining the two separate loan programs for vocational and college students.

3. The interest rate and credit situation generally in the economy have eased significantly. Although of course, we have many other reasons to encourage that trend, we are hopeful that it will facilitate increased lender participation in this student loan program.

4. These changes should encourage substantially increased participation in the program by all types of lending institutions. This will, we expect, spread the student loan business around quite a bit. However, to assist smaller lenders and in anticipation of a substantially increased volume of loans, we are exploring the feasibility of establishing arrangements for pooling lending resources, and the possibility of creating a secondary market in these education loans. We intend to find out, for example, whether some of the insurance companies might provide a secondary market for student loans made by credit unions.

5. On the guarantee side, we plan to move administratively, with maximum cooperation with the states, to assure the guarantee capacity that will be needed. A number of states are taking care of their own needs in this area most admirably. We have been in touch with each of the Governors, and have been pleased with the wide-spread support for this program. But where necessary, we can extend direct Federal guarantees—preferably to be administered by the existing state loan guarantee agencies—to make certain that students are not denied loans for lack of guarantees to back them up.

As you can see, this involves some fairly technical matters. There is, however, a fairly simple observation that I hope you will bear in mind: A cooperative effort of this type obviously cannot succeed without full cooperation. The colleges and the students are ready and willing. The state and private guarantee agencies are generally performing quite admirably. And the Federal Government is doing its very best to play its proper role in the endeavor. The program cannot function, however, without the support of the private lending community.

I do not mean to imply that the support of our private financial institutions has been lacking. Despite some initial problems, the loan program got off to a promising start. I am also very much aware of the limitations that arose from the extraordinary credit conditions that prevailed last year. But now that the problems are being eliminated, I hope that we can look forward to substantially increased support from all quarters.

I particularly hope that this program will commend itself to the nation's credit unions. We have appreciated CUNA's support, advice, and encouragement in developing this program and resolving some of the problems it has presented. We know that you have historically been committed to serving the needs of your members—and that by doing so, you have become one of the fastest-growing elements on the financial scene. I believe that this program provides an opportunity for increased service to your members in an area in which they are, and increasingly

will be, in need of assistance. I am confident that you will rise to that task.

II. Some broader perspectives

I have taken your time to review the status of the guaranteed loan program because it is the program that is currently on the books, and because it illustrates several of the more basic issues in this area.

As I have mentioned, this program attempts to proceed through the extension of assistance directly to students. And it attempts to do this through a public and private, state and Federal effort. I believe that there is wide-spread agreement that this program is a sensible and practical approach to the problem. The assumptions upon which the program proceeds, however, have implications that warrant examination.

Much has been said about the fantastic increase in recent years in the size of our college population; but this has been only the beginning. In 1965, full-time enrollment in our colleges stood at 5.5 million students. By 1975, we expect the total to reach nearly 9 million students.

I think we must assume that the need for financing higher education in this country is going to grow at least as rapidly as college enrollment. I think we must also accept the fact that *this need is going to be met*, one way or another.

We are then discussing just what is the best way of moving financial resources to this particular area of need. This is the subject that deserves some attention from all of us.

The loan program aims at assisting *students*—not colleges—to carry the costs of higher education. In the long run, is this the right road to travel? In our elementary and secondary schools, we basically assume that the cost of education should be borne by the tax-paying public at large, and the education should be provided free of cost to the student. Our system of higher education has been and still is something of a hybrid in this respect, since we have public universities at which some of the expenses are covered by tuition fees; and private colleges which depend largely on tuition and alumni support for their financing, but for which Government assistance has become increasingly significant in recent years.

There are some who believe that we should move in the direction of extending the public education concept to virtually all of our colleges and universities. This view is grounded in large part upon principle, and upon the contribution that education makes to the national well-being. Although the primary benefits of higher education accrue to the student, there also are important benefits to the economy and the Nation as a whole. The public education concept also finds support in the concern that many feel about the ability of young people to assume heavy debt responsibility, and the social and economic effects of such debts, in terms of other uses of credit and the formation of families, for example.

At the same time, it can be argued that the logical basis for tax-supported public education must be the near-universal availability and use of the educational system. The overwhelming majority of our young people *do* go to elementary and secondary schools, but a great many *do not* go on to college. It may be unfair to tax them and their families to support the expansion of public higher education.

It also has been pointed out that the tax-support arrangement is inefficient and inequitable in the sense that it requires all of us to pay for the college education of students who can well afford to pay their own way. This viewpoint obviously has not been allowed to stand in the way of public elementary and secondary education, but some feel that it has greater force in the context of higher education.

As you can see, these financing questions

bring us unavoidably to some of the most basic issues in the field of higher education. Indeed, the choice between putting the burden upon the student—in effect, a user method of financing—and putting the burden upon the tax-payers generally, is an issue with vast social, economic, and political implications, and one to which there is no easy answer.

The guaranteed loan program proceeds on the assumption that the major resources to be utilized in financing the expanded needs of higher education will be at least in this instance, supplied by the private financial community. In the context of this particular program, this is, I believe, quite clearly a sensible and constructive approach. It does lead us, however, to more fundamental questions as to the method of moving resources in this area. I, for one, believe that methods can be devised for increasing the involvement of the private financial sector. This, of course, depends upon the ingenuity of the decisionmakers as well as the willingness of the financial institutions of this country to explore new financing possibilities. The obvious alternative is for Government—Federal, state, and local—to tax the resources out of the private sector and directs them where they are needed, either in assistance to students or assistance to colleges.

Finally, the student loan program pursues policies of "creative federalism." It relies upon a division of responsibility between the states and the Federal Government. This is a basic approach which President Johnson has committed himself to follow, whenever possible. And in this instance, it appears that it can and will do the job in an effective manner.

The broader implications here again are obvious. As I have indicated, the needs of higher education in this country *are going to be met*. I believe that much of the responsibility should be assumed by state and local government, but whether this can and will be done depends upon the interest and energy of state, local, and community leaders—such as yourselves—in grasping the problems and devising methods to cope with them. We must recognize that, whether we like it or not, if the job is not done at the state and local level, there will be irresistible pressure to try to do it from Washington.

III. Conclusion

You no doubt have noticed that I am much better at posing tough questions than at providing easy answers. That is the nature of this problem.

I have tried to put two tasks before you. In reverse order, they are, first, to apply your own talent and experience to some of these vital problems in the area of financing higher education; and second, to give support, if you can, to one immediate effort that is underway to meet these needs—the guaranteed student loan program.

The history of this Nation proves again and again how much can be accomplished by the effort of our people. I hope that you share with me the conviction that no endeavor is more worthy of our effort than the education of our children.

THE WAR IN VIETNAM—SERMON BY REV. ROYAL V. CALDWELL

Mr. MORSE, Mr. President, the Reverend Royald V. Caldwell, pastor of the First Congregational Church in Portland, Oreg., has delivered a memorable sermon on the subject of the war in Vietnam. It was given in his church on July 9, 1967, and I ask unanimous consent that it be printed in the RECORD.

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

PEACE BEFORE PIECES

(Sermon preached by Royald V. Caldwell, Pastor, First Congregational Church, Portland, Oregon, July 9, 1967)

Scripture: Jeremiah 6:1-15

Several weeks ago, I was visiting in a convalescent home and there was an aged, confused, woman sitting in a wheel-chair in the hallway. She was chanting, over and over again, "Peace on earth."

There are millions of people who are not aged, who are not confused, who are praying earnestly that there might be peace on earth and good will toward men. There are people like Pope Paul, like President Arthur Flemming of the University of Oregon and President of the National Council of Churches. There are people in the World Council of Churches, in the Portland Council of Churches and in our own denomination. There are the Senators representing us in Washington, D. C., and millions of other people who want to have peace come before mankind and all that man feels is precious has been blown to pieces.

The people who are considered dissenters, generally, are against escalation in this war, against the bombings in North Vietnam, and against the terrible war atrocities.

Does anyone need to be persuaded that wars are futile? The most recent international conflict in the Middle East shows us how Israel and the Arabs are set against each other and in conflict now. Why? Back up, and one sees 1956 when that conflict did not settle the tensions in the Middle East. Back up to 1948 when the conscience of the world felt that the people who had been persecuted ought to have someplace to live, and Israel was carved out of the Arabic nations. Go back farther than that to World War II when the civilized world decided that they were going to try to stop the madman of Germany. Go back even farther to World War I and see that World War II was predicated because after that terrible war, which was to make the world safe for democracy, there was an unjust peace, and we, who thought that we were preparing the world for democracy, did not support that infant democracy. And you can go backward and backward and backward into history and see that really the conflicts of men are based upon some of the injustices of precedent events.

So there are people who are against the kind of war we are now involved in and against escalation of this war. Winston Churchill said to the United States and Great Britain in 1954, "Do not enter this conflict." The British listened; we did not.

It is not only the Church that is saying that there should not be this kind of war or escalation in it. The United States Army Chief of Staff, General Harold K. Johnson said it would be foolish to expand the war and destroy Vietnam's economic and military capabilities since this would only double the price of the war. And he is joined in this by Generals Gavin and Ridgway.

Why raise questions like this anyway in a Church?

1. I suppose we could say, like Martin Luther King did, "I oppose war in Vietnam because I love America. I speak against it not in anger, but with anxiety and sorrow, and above all to see my Country stand as a moral example of the world. I speak out against this war because I am disappointed with America. There is no great disappointment where there is no great love."

2. We have a political duty to ask, "Are we working for peace?" Richard A. Falk, the Milbank Professor of International Law at Princeton University—a consultative counsel of the Lawyers' Committee on America's Policy toward Vietnam—stated: "The State Department's assertion, 'At no time has the Security Council taken action to restore peace and security to Southeast Asia' over-

looks some relevant information. First of all, neither South Vietnam nor the United States ever brought a complaint about the alleged aggression by North Vietnam before the Security Council. Secondly, the United States circumvented the Security Council action by its unilateral war action."

3. Are we stopping Communism's spread? Influential Buddhist Monks signed a statement on February 18 of this year: "The more the war goes on, the stronger communism becomes, and the more American colonialists and our people are destroyed."

So we ask these kind of questions. Are we stopping Communism?

In a speech at Harvard University by Robert Vaughan, The Man From Uncle—and after he finished his speech there was a standing applause for five minutes—it was he who said: "In our fervor to halt the potential spread of totalitarianism, what incredible precedent are we setting in Vietnam? Is this the way we intend to conquer Communism? Are we to oppose inevitable emerging popular revolutions when they don't meet with our fancy, and by our opposition totally ignore the will of the people involved? Are we to prevent the spread of Communism by sacrificing the principles of democracy? Oppose them by disseminating lies to our own people; oppose them by clandestine and illegal plotting in order to set up puppet militarist governments; by breaking treaties, by giving no heed to international law, by marching our legions through the countryside of foreign continents, burning homes, laying waste to the land, and indiscriminately killing friend and foe alike in the zealous pursuit of our own ends? Can we possibly imagine that this bloody insanity will prove that the democratic way of life is more fulfilling than Communism?"

"If we think our methods are righteous, we are fooling no one but ourselves. Certainly not the rest of the world! And certainly not history!"

What do we say about these things? We are saying that we ought to try to find a way for peace before we find this world blown to pieces.

Probably we ought to look at a brief history of what is going on in this conflict. In 1945, Vietnam proclaimed its independence and quoted our Declaration of Independence, and we did not support it. We supported France, which attempted to recapture its colony; hence we are called colonialists. This went on for nine years, and at the end we were paying 80% of France's bills.

In 1954, the Geneva Accord was drawn, and it was done against our will; and what we don't like, apparently we disregard.

Then, we helped Diem, who betrayed the Geneva Accord. Thereafter, we have supported dictatorships. There was an insurrection to overthrow Diem, and we were led to believe that Hanoi was behind the revolt, when really it was a civil conflict.

Now we are engaged in an undeclared war with over 500,000 United States troops. It costs us over \$300,000 to kill an enemy—while we feel that \$53.00 is too much to spend per person to fight the war on poverty. We begin to think about this, and we begin to ask some questions.

The symbol of all our opposition is Ho Chi Minh. We probably ought to look at him. He is a Marxist and has always been a Marxist. He was a Marxist when he stood with us against the Japanese and helped rescue airmen shot down over Vietnam. He resisted France's attempt to retake her colony and became thereby a national hero. He agreed to the Geneva Accord. Our President Eisenhower wrote that he had the support of 80% of the natives.

Senator Hatfield, in the Saturday Review of July 1st, refers to Joseph Buttinger's profile of Ho and says that Ho is a Vietnamese Nationalist and has never really been in-

terested in international communism. I was interested to learn that he is a brilliant communicator, and he communicated to Woodrow Wilson, David Lloyd George, and Clemenceau at the Versailles Treaty in 1919. He speaks perfect English, French, Russian, Mandarin Chinese, and several Vietnamese dialects as well as German. This man is the symbol of the kind we oppose.

So we keep on asking, "How can we achieve peace before the world goes to pieces?" Why are we interested in this, anyway? Because we are, I pray, humanitarians. If you will read what Senator McGovern of South Dakota said after his visit to Vietnam, you will see that there are some inhumane things going on. He said, "I visited a civilian casualty hospital in Danang. The poorly equipped wards were jammed with terribly burned, broken and torn men, women and children—innocent victims of our bombs, napalm and artillery. They lay silently—two persons on each cot." And he goes on to say that "There is a growing resentment toward doubters and dissenters. The impression is being created that while freedom of conscience and expression are desirable theoretical principles, they are too dangerous to practice in wartime. It is still a truism that truth is the first casualty in wartime."

Near the end of his speech he said, "I have never regretted my service as a bomber pilot in World War II when we stopped the madman Hitler . . . I do not believe Vietnam is that kind of a testing ground. It is a confusing civil conflict. I do not want to see my son or other boys die in that doubtful struggle."

If we still believe that we are humanitarians, we ought to read the speech of Senator Gruening of May 4, of this year, where he points out many inhumanities that are going on. And if you want a shock that will stir your conscience and make you sick at heart, read the paperback co-edited by responsible people like Robert McAfee Brown, Rabbi Abraham Heschel and Michael Novak. It is called "Vietnam: Crisis of Conscience" and in it you will find reports of incredible brutalities inflicted by our men.

We plead for peace before our world is blown to pieces, and we plead for it because we are Christian. We are a nation that put into our pledge of allegiance "Under God". Do we really mean it? Do we mean the God who is the God of love? Do we really mean the God who teaches us that we ought to believe in the brotherhood of all, that we ought to be the respecter of a person who holds a different point of view, so that if he conscientiously does not want to kill, we understand why he so desires not to kill.

Do we recognize the need for having peace before mankind uses his great implements of destruction? I read with horror about the new Russian shell that can penetrate eleven inches of steel, and our tanks have no way of standing up against it.

What happens now? Are we now going to resort to other weapons that we have in our arsenal? Are we now going to use intercontinental ballistic missiles? Are we going to resort to atomic bombs? Will we turn loose biological warfare upon people? You see, as war begins to escalate, the danger for all mankind increases.

What, then, is the solution for us? In a democracy we share in the decisions of this nation. Therefore we must seek to know the facts about what is going on. We need to read, and we need to enter into discussions such as those proposed by our own Commission on Social Action in order that we may gain the facts. How many of us who speak so glibly about this have bothered to read very much to get facts? If you will read what our Senator Hatfield has said in The Saturday Review, you will find many books referred to, and if you will read only one, you will have some insight into what is happening. Therefore, when we know our facts in a

democracy, we must of course make our feelings felt to those who represent us.

It seems to me we must urge international law and that the United Nations be strengthened. Sovereignty must be expanding. No longer can we be content to have our sovereignty in our city or in our state or in our nation. As we are growing in our international relationships, so must the sovereignty of people be yielded to a greater and an universal kind of direction for us all. We must be ready to help after the conflict in the restoring of what victims and vanquished suffer in the times of war. We always have—and I pray we always will.

It is necessary for us to forget and to forgive. And some people think this is difficult. It is not. If you go back fifty years, how many of the nations who are now our friends were, during that period, our foes. They vacillate. They flip-flop. There are those who were our bitterest enemies who now are our most trusted friends.

We must cease the bombing, and we must move from the battlefield to the conference table. And we must urge our President to wipe out his "conditions" for the conference that he says he is willing to hold, or else neither the South Vietnamese nor the North Vietnamese will go to the conference table, nor will we.

We must support peace efforts—of the Pope, of the World Council of Churches, of the National Council of Churches, of our own denomination, of all groups who are working toward peace. And above all we must use peaceful means for peaceful ends.

We must, as Christians, say our prayers—and this is more than just lighting a candle or saying a few Hail Marys. It is more than Bible reading. This means applying what we know of the Christian Gospel, where we are seeking to "love our enemies and to pray for them", where we seek to "feed our enemies", where we know that "God makes of one blood every nation to dwell upon the face of this earth." We are those who cannot be "conformed" to this world but we must be "transformed by the renewal of our minds" so that we will seek to "overcome evil with good."

We are the ones who ought to know that "the Lord He is God and not we ourselves." I have not much patience with the people who want to scare me into peace by saying that there is an Armageddon on the way. Who knows when that day is? Jesus Christ said he didn't, and I doubt if any other mortal man does. The last days are in the hands of God—in the hands of a moral God, in a moral universe. In this kind of a universe where we always reap what we sow, we must begin to live by some universal absolutes. We must begin to respect the worth of others and what they hold as their own. When Ahab, the king, decided he was going to take Naboth's vineyard, he was warned by the prophet, "You will die for this," and he did.

Why will we not learn to respect the other man, to respect what he has? Do we want to have the kind of a world where strength is always going to be right? Is might always going to be right? Or do we believe in the integrity of the person? If we are going to live by the law that we can take whatever we want, then if I am stronger than you, I will take of yours what I want and I'll keep it. We can't live in a world such as this at all. We must begin to live in the world that the prophet talked about.

I agree with what Martin Luther King said in Riverside Church: "The past is prophetic in that it asserts loudly that wars are poor chisels for carving out peaceful tomorrows." So I pray and plead that we may use whatever energies we have to find peace before this world and all of us go to pieces in it.

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SHERMAN, TEX., DEMOCRAT POINTS OUT AMERICA'S FAILURE TO PROMOTE TOURISM AS ERROR IN ECONOMICS

Mr. YARBOROUGH. Mr. President, in the Sherman, Tex., Democrat of June 15, 1967, a column was printed which contained insight into a problem which has long been of concern to me. As one of the original supporters of the 1961 legislation which created the U.S. Travel Service, I have worked long for an increased tourist industry for America, for the purpose of bolstering our economy as well as increasing the understanding of nation for nation.

It is a tragic mistake to spend millions of dollars in building and beautifying our country, millions of dollars in aid to countries abroad, but spend almost nothing to provide information about our country to the rest of the world. And this is a land with more than enough to be proud of—the unrivaled grandeur of the Grand Canyon, the soaring, modern buildings of New York City, the tropics of the South, the majesty of the Rocky Mountains in the West—and Texas.

As the writer of the article in the Democrat points out, Texas, herself, only lately began to realize the potential she has for becoming a tourist attraction, and has greatly benefited from the attention at last being applied to the tourist industry. I think that the Nation would do well to follow the example of Texas in this new campaign, and to increase her efforts to bring people from other nations of the world to the United States to see this vast and beautiful land we live in.

Mr. President, I ask unanimous consent that this article from the Sherman Democrat of June 15, under the title "Let's Promote Tourism," be printed at this point in the RECORD.

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

LET'S PROMOTE TOURISM

Sylvia Porter, financial writer whose column appears regularly on this page, made a valid point recently by criticizing the administration and Congress for failure to act positively in the travel gap.

As she pointed out, the difference in what Americans spend abroad and what tourists from foreign countries spend here is playing havoc with our balance of payments. This year's difference is expected to be \$2 billion.

Congress made the right start six years ago when it created the U.S. Travel Service. But Congress has refused to finance the service adequately.

Texas has been through the same process. For years the Legislature refused to do anything so radical as use state funds to promote tourism. It failed to recognize that using tax money to help create an expanding economy under which all persons bene-

fit is one of government's most practical functions. But in recent years Texas has been promoting tourism and the results are apparent in the Texas economy.

Congress ought to realize that tourism must be promoted. If we want to close the travel gap, U.S. Travel Service offices must be financed, so that advertising, brochures, information and service can be provided to lure travelers to our shores. Simply saying "y'all come" and expecting a flood of visitors is not enough. The competition today for the travel dollar is too tough. Other nations have long been doing what we are failing to do.

Here is an opportunity to get a practical return on tax dollars. As Miss Porter points out, every \$1 spent on travel becomes as much as \$3 on its trip through the economy. We are missing a golden opportunity to close the travel gap because of government's failure to give the U.S. Travel Service the means to do the job.

DR. ETHEL PERCY ANDRUS

Mr. WILLIAMS of New Jersey. Mr. President, the death of Ethel Percy Andrus on July 14 ended a long life of dedication to youth and more recently to the elderly. Educator, organizer, writer, she excelled in all these, not for personal prestige, but for the benefits which might accrue to others. This was especially true in the years when she might have relaxed and rested in retirement.

The National Retired Teachers Association, which she founded and led for the past 20 years, and its companion organization, the American Association of Retired Persons, have pioneered many of the services and benefits now commonly enjoyed in retirement. Through her inspiration members of both associations have given generously in retirement of their time as volunteers nationally and in their own communities in serving others.

The loss of her leadership may well be mourned, but the organizations she founded will continue as living monuments to her ideals of "purpose, independence and dignity" in the later years. Her challenge of continuing service will insure the ongoing of the programs to which she dedicated her life. Truly, she has had a major role in altering social trends for the betterment of mankind in maturity.

An article published in the New York Times of July 7 described Dr. Andrus' contributions to our society. I ask unanimous consent that it be printed in the RECORD.

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

ETHEL P. ANDRUS, AIDE OF AGED, DIES—ACTIVE LOBBYIST ON BEHALF OF RETIRED TEACHERS, 82

Dr. Ethel Percy Andrus, founder and president of the National Retired Teachers Association and the American Association of Retired Persons, died Thursday in Long Beach, Calif. Her age was 82.

A stately auburn-haired woman with blue eyes, Dr. Andrus won fame after her retirement. She began teaching in 1903 and from 1916 to 1944 was principal of Lincoln High School in Los Angeles. But, in spite of her long service, her pension on her voluntary retirement turned out to be \$60 a month.

Although she had some money of her own, she began to wonder how the rest of the nation's thousands of retired teachers were able

to exist. She found out there was no national organization to speak for retired teachers and decided to become their spokesman.

She traveled all over the country. By 1947 she had interested enough persons to start the National Retired Teachers Association, aimed "at putting dignity back into the life of the penniless former teacher."

She set up branches in every state and issued many pamphlets and periodicals. She persuaded thousands of former teachers to take up jobs as tutors, counselors or consultants to children's courts, to visit the sick in veterans hospitals and to serve the handicapped and disabled—anything to keep active.

Her favorite advice to people thinking with dread of retirement was: "Don't retire; have a second career." The advice was based on her own experience.

In 1958 Dr. Andrus organized the American Association of Retired Persons to broaden the scope of her work with the aging. One of its first undertakings was to organize 12 tours to Europe.

Dr. Andrus and her members—they say they number more than a million—have lobbied for bills to enable ex-teachers to work as substitutes, to improve pension plans and generally to benefit older people. She appeared at Congressional and subcommittee hearings to speak in favor of health programs for the elderly.

In 1958 she instituted for her members a group insurance plan and the following year opened a non-profit drug-buying service to provide pharmaceuticals at low cost.

She worked almost 16 hours a day to make the word "retirement" lose its terrors.

"As it is," she said, in an interview in 1954, "when you leave a job, they often just give you a gold watch and all you can do is look at it and count the hours until you die. Yet think of all the grand things we can do that youth can't. Think of all the things we already have done. Some day, the retired teachers in this country will have the dignity they deserve."

Dr. Andrus was born in San Francisco and received a Ph.D. from the University of Southern California in Los Angeles. Her pupils at Lincoln High School included Robert Preston, Robert Young and Gen. James Doolittle.

She had served as executive secretary for the American School for Girls, Damascus, Syria, as a member of the national advisory committee for the White House Conference on Aging in 1961, and as a member of the advisory board of the American Association of Homes for the Aged. She edited 22 publications and spoke widely.

In 1954 she was chosen as national teacher of the year by the International Senior League. Last month she received an award for excellence in educational journalism from the N. R. T. A. Journal for her editorial, "The Good Samaritan," published last January.

Dr. Andrus lived in Long Beach, Calif.

HUMAN RIGHTS HAVE OCCUPIED SPECIAL PLACE IN AMERICAN HISTORY—CVII

Mr. PROXMIRE. Mr. President, the Human Rights Conventions on Forced Labor, Freedom of Association, Genocide, Political Rights of Women, and Slavery all embody fundamental principles which distinguish our concept of government from all forms of tyranny.

No principle, no tradition is more consistent with our Constitution and our laws than human rights, and no cause has stirred the American people to arms so often as a threat to the freedom and the rights of men.

On February 23 of this year Ambassador Arthur Goldberg, in testimony before the Senate Foreign Relations Committee, declared that concern for the welfare of all peoples is a principal feature of our foreign policy. Throughout our history the United States has considered human rights in other countries to be a matter of our deepest interest and consonant with the profound commitment to the heritage of freedom which has nourished us. Examples abound of our Government's humanitarian intervention in behalf of oppressed religious and ethnic minorities in other lands.

The United States has intervened on behalf of oppressed religious minorities of the Ottoman Empire in 1840; in Morocco in 1863; in Rumania in 1872; and in Poland in 1918-19.

Illustrative of this commitment was the action taken by President William Taft in 1911 in abrogating a trade treaty with czarist Russia because of the latter's discriminatory practices directed against Jews. Distinguished Senators and Representatives, together with prominent civic and religious leaders, were then active in expressing the conscience of the American public and providing the President's initiative with vigorous support. It is appropriate to recall that, at that time, an American Jewish leader, Jacob H. Schiff, commented that the day would come when the quality of all religions in treaties between States would become an international truism.

America's historic commitment to the protection of human rights found further expression in the efforts of President Taft in 1913 to obtain guarantees for minority rights in the peace treaties that followed the Balkan wars. President Woodrow Wilson urged a similar course in the peace treaties of 1919 involving central and east European countries.

It was this distinctive humanitarian character of American tradition in foreign affairs that enabled American statesmen to be the first to recognize during World War II that the ultimate consequence of internal suppression of freedom was external aggression, and therefore, that peace and human rights are necessarily and inextricably linked together. In President Kennedy's words so well remembered, "Peace in the last analysis is basically a matter of human rights."

Let the Senate move positively toward both peace and international securing of human rights by ratifying the Human Rights Conventions on Freedom of Association, Forced Labor, Genocide, Political Rights of Women, and Slavery.

THE DEFICIT AND THE INFLATION THREAT

Mr. PERCY. Mr. President, the July 8 issue of Business Week contains a trenchant assessment of the deficit and the inflation threat. It amplifies remarks I made on the recent occasion of fiscal New Year's Eve, June 29. I commend it to the attention of Senators on both sides of the aisle and ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial

was ordered to be printed in the RECORD, as follows:

THE DEFICIT AND THE INFLATION THREAT

Once again, these are unmistakable signs that the U.S. economy is expanding credit too fast—blowing up the money supply and inviting a new round of inflation.

This time, however, it is monetary expansion with a difference. In 1965 and 1966, excessive demand for credit arose from the fact that the economy was growing at an unsustainable rate. The way to deal with the problem was clear to most economists, if not to the government policy makers. Since the pressures came from excessive demand, the solution should have been to raise taxes and take some of the heat out of the economy.

This year, it is not so simple. Business still is somewhat soft, and most industry is operating well below capacity. Yet, in the first six months of 1967, corporations have gone into the bond market for about \$8-billion—almost as much as they borrowed in the whole of 1966, which was itself a record year. Interest rates have been driven back up almost to last summer's peaks in spite of the Federal Reserve's easy money policy. And the Fed has been forced to pump new reserves into the banking system at a rate that no central bank should keep up indefinitely.

Part of the trouble seems to be that corporations are borrowing far beyond current needs in an effort to build liquidity and ensure against a new credit squeeze in the future. This is entirely understandable after the manhandling that many corporate treasurers endured in last year's credit pinch. But if the process goes too far, it will be self-defeating.

If the wild scramble for liquidity continues, it will bring tight money regardless of Fed policy. It would be much the better part of wisdom for business to limit its borrowing voluntarily to what it actually needs for current spending programs. Otherwise, the over-eager borrowers may find that they have created a credit crisis without realizing what they were doing.

SPENDING AND TAXES

It would be a great mistake, however, for Administration policymakers to conclude that nothing is wrong except an excess of forehandedness on the part of corporate treasurers. For the government's own budgetary policy is what has sent so many corporations rushing into the securities market in the first half of 1967.

The size of the federal deficit forecast for the fiscal year ending June 30, 1968, has risen in a succession of jumps ever since the budget was first presented last January. From an original estimate of \$8.1-billion, it now has climbed to \$13.6-billion. And many analysts think that \$5-billion or so higher than that is much more plausible.

A deficit of these dimensions would far exceed anything that the country ever before has handled under peacetime conditions. The prospect of it hangs over the securities market like a threatening cloud—even before the inflationary impact on the economy as a whole has made itself felt. In this situation, it's no wonder that corporations have been scrambling to get money while they could. Later this year and in 1968, the Treasury's needs may well sop up everything that the market can supply and more.

The government's problem is complicated by the fact that the case for a tax increase now is by no means as strong as it was at the start of 1966. With business dragging, a tax boost might well slow down the expansion of the economy and actually reduce tax yields rather than swell them. The timing of a tax increase will have to be handled skillfully so that it comes into play after the economy is launched on a vigorous expansion.

sion but before inflationary forces have got out of hand.

The most important thing that the Administration can do at this time is to get the expenditure side of the budget under control. Ordinarily, old hands in Washington are cynical about budget cutting, and history suggests that they have good reason to be so. But these are not ordinary times, and it should not be impossible for both the Administration and Congress to recognize that fact.

In simplest terms, the Administration is asking too much of the economy. It is trying to fight what has become a major war and expand its Great Society programs at the same time. The non-defense portion of the budget has increased by more than \$10-billion from fiscal 1966 to the level requested for fiscal 1968. Even in the military budget, there is substantial new spending that has nothing to do with Vietnam.

Supporters of all these programs will protest that they can't be cut without hurting. They are right; that's what budget cutting means. But there comes a time when budget cutting is what has to be done.

Obviously, the Administration should be getting its plans for a tax increase in order. As economist Paul Samuelson told Congress last week, "The time has come to cock our guns."

But before President Johnson pulls the trigger on that gun, he owes it to the country to see that everything that can be done has been done to scale down and stretch out the programs that are producing the deficit.

EAST-WEST TRADE

Mr. CLARK. Mr. President, last Friday the Senator from Colorado [Mr. DOMINICK] addressed himself to the question of East-West trade in a speech in this Chamber. The Senator quite accurately reported the position of President Johnson, which is that the result of expanded trade in nonstrategic materials will be to relax tensions and foster a closer understanding between the Eastern and Western Worlds. Conceding that these are goals that are desired by every Member of the Senate, the Senator raised the question: Are they realistic?

The answer, in my judgment, is clearly yes. What the opponents of the President's trade bill forget is that—to quote from an editorial in *Life* magazine, a periodical with unimpeachable credentials when it comes to anti-communism—

By restricting our trade we forfeit the chance to influence, in a thousand small ways, the direction in which East European countries will move.

I ask unanimous consent that this editorial from the April 7, 1967, issue of *Life* magazine be printed at the conclusion of my remarks. I also ask unanimous consent that an editorial from the *Baltimore Sun* of May 29, 1967, on the same subject be printed at the conclusion of my remarks.

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

[From *Life* magazine, Apr. 7, 1967]

SHORTSIGHTED VIEW OF TRADE

The East-West bridge builders have run into some construction snags. While the Congress has finally agreed to ratify the consular treaty with the Soviet Union, the outlook now seems less hopeful for an equally important link—the East-West trade bill.

The men who oppose trade with East Europe—as long as the Vietnam war contin-

ues—speak from the emotions of the hour. But their opposition hinders our own actions far more than those of the other side—and unnecessarily restricts the President's diplomatic maneuvering room.

It is easy to protest that we should not deal with any nation that helps arm our enemy. But in the case of East Europe, we should apply the test of logic, not of emotion, to that policy, and ask, "What does it accomplish?" If the prime reason for our refusal to expand trade with East Europe is to force those countries to side with us against North Vietnam, then we are accomplishing nothing.

No Communist country is so independent of the others that it could side openly with us against a fraternal regime and we cannot expect this. But by restricting our trade we forfeit the chance to influence, in a thousand small ways, the direction in which East European countries will move.

Yugoslavia stands out as an example of what can happen when a country has options other than being locked inside the Communist bloc. Our continuance of normal trade with Yugoslavia was a vital support to that country after its split with the U.S.S.R. in 1948. Now 65% of Yugoslavia's trade is with non-Communist countries, its citizens can work and travel abroad, and while the government proclaims itself as stoutly Communist as other East European countries, Yugoslavs have recently been treated to the experience of seeing a vote of non-confidence against a regional government.

To help speed the development of other East European countries along Yugoslav lines, we need at least the East-West trade bill proposed to Congress last year by President Johnson. The bill's key provision would extend "most-favored-nation" status—already in force with Poland and Yugoslavia—to other East European countries. While the phrase "most-favored-nation" is a little misleading, it means, simply, that the goods of such a nation will not be assessed higher tariffs on entering this country than the goods of any other nation—as long as the reverse applies and our exports are not discriminated against at their end.

Without such a provision, it is nearly impossible for East Europeans to trade with us. With no backlog of the hard currency on which we now insist, they must nearly balance their trade accounts, exporting as much as they import. To buy from us, they must at the same time sell to us. And their goods cannot compete in our markets with others that have come in from West Europe under lower tariffs. We do not really, by our present policy, keep them from getting Western goods. There is hardly an item we make that East Europeans cannot buy from our West European allies.

The East-West trade bill, restricted as it is to the question of most-favored-nations, fortunately steers clear of other areas of trade with Communist nations which might be more open to argument. Congress, in its last session, voted two amendments to our food programs that prevent subsidized sales of commodities to countries that trade with North Vietnam or sell strategic items to Cuba. Since subsidized sales or guaranteed credits can be classed as forms of aid, they raise more questions than does the simple extension of "most-favored-nation" status.

There is no logic to cutting off what could be the normal trade of nations. And particularly so when, in the words of Secretary of State Rusk, "we need to make unmistakably clear to the Communist nations of Eastern Europe that their best interests lie in economic development and peaceful trade, not in support of futile attempts to gain advantage through the use of force."

[From the *Baltimore Sun*, May 29, 1967]

EAST-WEST TRADE

The debate about the President's proposals for easing trade with the Soviet and the So-

viet bloc should be held as closely as possible to a debate about trade. There are, obviously enough, political overtones, which is to say, diplomatic and even military overtones, to a trade debate simultaneous with expanding war in Vietnam and potential war in the Near East. But the debater who puts politics before trade in a trade debate may end up with neither political nor trade advantages. So far the hard-line Republican opposition to the President's proposals puts politics first—and it may be that a like error is made by some on the other side and from the opposite point of view.

But if there are commodities which the American economy needs from the Communist nations, then they ought to be bargained for, as, indeed, they have been bargained for under the harsher terms which the President would ease. One thinks immediately of the gold which Russia produces and exports from time to time. American gold reserves are declining and to the direct or indirect extent that Russian purchases in the West are financed by Russian exports of gold, the whole free world trading complex, of which gold is the basic credit energizer, is strengthened.

More narrowly, the American foreign payments deficits require us, other considerations favoring, to expand our sales abroad and so our foreign dollar earnings wherever possible. Other considerations do not favor if foreign sales will hurt us militarily, a point which all parties readily accept. To capsule the whole debate on the President's proposals—we should trade wherever there is economic advantage not neutralized by political or military disadvantage. And clear eyes and tough minds are needed in reckoning the balance.

PUERTO RICO DAY AND THE PUERTO RICAN PLEBISCITE

Mr. KENNEDY of New York. Mr. President, today is Puerto Rico Day, a day when all of us who are friends of the Commonwealth give special recognition to the contribution which its people have made to our culture, our arts, and our economy. And Puerto Rico Day comes at a time which is especially significant for the Commonwealth. For last Sunday the voters of Puerto Rico clearly indicated their will as to the island's future, so we mark the results of the plebiscite as we celebrate Puerto Rico Day.

Like others, I avoided comment during the plebiscite campaign because the issue was for the people of Puerto Rico to determine. But the people have now spoken decisively about the future of their relationship with the United States, and I pledge my full support for their decision. Now that the status issue is settled, all of us who are interested in the future of the Commonwealth of Puerto Rico must unite to help it move forward in its continuing effort to insure economic well-being and social justice to all of its people.

PART V: EISENHOWER-REMON TREATY, 1955

Mr. THURMOND. Mr. President, in four previous statements to the Senate, I discussed and quoted from the three key treaties that form the basis for U.S. authority regarding the Panama Canal. I also spoke of a fourth treaty in which the process of the breakdown of that authority was begun. Today, I shall discuss briefly and quote the major portions of a

fifth treaty that advanced the process of weakening our juridical structure on the Isthmus—the Eisenhower-Remon Treaty of 1955, which was described optimistically on the floor of the Senate as a “good treaty” that should “endure for many years.”

The ink was hardly dry on this treaty before agitation and violence broke out, aimed at getting another treaty. This agitation culminated in the January 1964 Panamanian mob assault on the Canal Zone that required the use of the Armed Forces to defend our citizens and the canal itself.

Specifically, the 1955 treaty provided for the following:

First. Increased the annuity from \$430,000 to \$1,930,000.

Second. Contemplated the liquidation of the Panama Railroad.

Third. Ceded to Panama valuable real estate and property in the cities of Panama and Colon, including the terminal yards and passenger stations of the Panama Railroad, all without consideration and without provision for replacement.

Fourth. Modified the boundary agreed upon in the boundary convention of September 2, 1914.

Fifth. Abrogated the 1903 treaty provision giving the United States responsibility for enforcement of sanitary ordinances in the terminal cities of Panama and Colon.

The effect of the 1955 treaty was to complete the withdrawal of the United States to the boundaries of the Canal Zone. The \$1,500,000 increase to the annuity was added to the Department of State budget by an act of Congress.

Another interesting provision contemplated the liquidation of the Panama Railroad, and the transfer to the Republic of Panama of the railroad's property within the boundaries of the Republic. While the President, with the advise and consent of the Senate, agreed to this provision, the House of Representatives conducted an independent study and refused to assent to the liquidation of the railroad within the zone. Thus the main line was saved, but the terminals in Colon and Panama City were abandoned. We now have a railroad with the two ends.

Mr. President, in order to make the text of the Eisenhower-Remon Treaty easily available for study in connection with the overall subject, I ask unanimous consent that it be printed at this point in the RECORD. I also ask unanimous consent that the interim report and the final report on the abandonment of the Panama Railroad, published by the House Committee on Merchant Marine and Fisheries on March 13, 1956, and January 3, 1957, respectively, be printed in the RECORD following the treaty.

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

11. PANAMA—1955: TREATY OF MUTUAL UNDERSTANDING AND COOPERATION WITH MEMORANDUM OF UNDERSTANDINGS REACHED

(Signed at Panama January 25, 1955; Ratification Advised by the Senate July 29, 1955; Ratified by the President August 17, 1955; Ratified by Panama August 15, 1955; Ratifications Exchanged at Washington August

23, 1955; Proclaimed August 26, 1955; Entered into Force August 23, 1955.)

[TIAS 3297; 243 UNTS 211; 6 UST 2273]

ARTICLES

- I. Annuity to Panama; method of payment; supersedure of 1936 Treaty, Article VII.
- II. Panamanian taxes on income of certain employees; exemptions and exceptions.
- III. Renunciation of right of monopoly for trans-Isthmian communications system by railroad; abrogation of certain exclusive road rights; exclusion of third country or its nationals from construction or operation; maintenance of Panama Railroad operations.
- IV. Abrogation of 1903 Treaty, Article VII, second paragraph, relating to sanitary ordinances in cities of Panama and Colon.
- V. Conveyance of certain lands and improvements to Republic of Panama.
- VI. Boundary line between Colon and Canal Zone.
- VII. Abrogation of 1914 Boundary Convention, Article VII, second paragraph; Manzanillo Island landing pier.
- VIII. Reservation of certain area for maneuvers and military training; exemption of United States armed forces personnel from Panamanian taxes; other stipulations.
- IX. Waiver by Panama of rights in respect to free transportation by railway.
- X. Right of United States to prohibit or restrict use of part of strategic highway, with respect to certain busses and trucks.
- XI. Sales at post exchanges to military personnel of friendly third countries.
- XII. Exclusion of certain persons from making purchases or importations; imposition of Panamanian duties and other charges upon goods destined or consigned to certain persons.
- XIII. Ratification; entry into force.

[§ 121] The President of the United States of America and the President of the Republic of Panama, desirous of concluding a treaty further to demonstrate the mutual understanding and cooperation of the two countries and to strengthen the bonds of understanding and friendship between their respective peoples, have appointed for that purpose as their respective Plenipotentiaries:

The President of the United States of America: Selden Chapin, Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Panama.

The President of the Republic of Panama: Octavio Fabrega, Minister of Foreign Relations of the Republic of Panama,

who, having communicated to one another their respective full powers, found in good and due form, and recognizing that neither the provisions of the Convention signed November 18, 1903¹, nor the General Treaty signed March 2, 1936², nor the present Treaty, may be modified except by mutual consent, agree upon the following Articles:

Article I

[§ 122] Beginning with the first annuity payable after the exchange of ratifications of the present Treaty, the payments under Article XIV of the Convention for the Construction of a Ship Canal between the United States of America and the Republic of Panama, signed November 18, 1903³, as amended by Article VII of the General Treaty of Friendship and Cooperation, signed

¹ For the 1903 Convention, see App. III, § 61 et seq.

² For the 1936 Treaty, see § 31 et seq., ante.

³ For Art. XIV of the 1903 Convention, see App. III, § 75.

March 2, 1936⁴, shall be One Million Nine Hundred Thirty Thousand and no/100 Balboas (B/1,930,000) as defined by the agreement embodied in the exchange of notes of March 2, 1936⁵, between the Secretary of State of the United States of America and the Members of the Panamanian Treaty Commission. The United States of America may discharge its obligation with respect to any such payment in any coin or currency, provided the amount so paid is the equivalent of One Million Nine Hundred Thirty Thousand and no/100 Balboas (B/1,930,000) as so defined.

On the date of the first payment under the present Treaty, the provisions of this Article shall supersede the provisions of Article VII of the General Treaty signed March 2, 1936.

Notwithstanding the provisions of this Article, the High Contracting Parties recognize the absence of any obligation on the part of either Party to alter the amount of the annuity.

Article II

[§ 123] (1) Notwithstanding the provisions of Article X of the Convention signed November 18, 1903⁶ between the United States of America and the Republic of Panama, the United States of America agrees that the Republic of Panama may, subject to the provisions of paragraphs (2) and (3) of this Article, impose taxes upon the income (including income from sources within the Canal Zone) of all persons who are employed in the service of the Canal, the railroad, or auxiliary works,⁷ whether resident within or outside the Canal Zone, except:

(a) members of the Armed Forces of the United States of America.

(b) citizens of the United States of America, including those who have dual nationality, and

(c) other individuals who are not citizens of the Republic of Panama and who reside within the Canal Zone.

(2) It is understood that any tax levied pursuant to paragraph (1) of this Article shall be imposed on a non-discriminatory basis and shall in no case be imposed at a rate higher or more burdensome than that applicable to income of citizens of the Republic of Panama generally.

(3) The Republic of Panama agrees not to impose taxes on pensions, annuities, relief payments, or other similar payments, or payments by way of compensation for injuries or death occurring in connection with, or incident to, service on the Canal, the railroad, or auxiliary works⁸ paid to or for the benefit of members of the Armed Forces or citizens of the United States of America or the lawful beneficiaries of such members or citizens who reside in territory under the jurisdiction of the Republic of Panama.

The provisions of this Article shall be operative for the taxable years beginning on or after the first day of January following the year in which the present Treaty enters into force.

Article III

[§ 124] Subject to the provisions of the succeeding paragraph of this Article, the United States of America agrees that the monopoly granted in perpetuity by the Republic of Panama to the United States for the construction, maintenance and opera-

⁴ For Art. VII of the 1936 Treaty, see § 38, ante.

⁵ For the 1936 Agreement referred to, see App. VIII, §§ 61, 62.

⁶ For Art. X of the 1903 Convention, see App. III, § 71.

⁷ Agreement by United States that the term “auxiliary works”, as used in this Treaty, includes the armed forces of the United States, see item 11 (§ 148, post) in the Memorandum of Understandings Reached, which accompanied this Treaty.

⁸ See footnote 55, ante.

tion of any system of communication by means of canal or railroad across its territory between the Caribbean Sea and the Pacific Ocean, by Article V of the Convention signed November 18, 1903,⁹ shall be abrogated as of the effective date of this Treaty in so far as it pertains to the construction, maintenance and operation of any system of trans-Isthmian communication by railroad within the territory under the jurisdiction of the Republic of Panama.

Subject to the provisions of the succeeding paragraphs of this Article, the United States further agrees that the exclusive right to establish roads across the Isthmus of Panama acquired by the United States as a result of a concessionary contract granted to the Panama Railroad Company shall be abrogated as of the date of the entry into force of this Treaty, in so far as the right pertains to the establishment of roads within the territory under the jurisdiction of the Republic of Panama.

In view of the vital interest of both countries in the effective protection of the Canal, the High Contracting Parties further agree that such abrogation is subject to the understanding that no system of inter-oceanic communication within the territory under the jurisdiction of the Republic of Panama by means of railroad or highway may be financed, constructed, maintained, or operated directly or indirectly by a third country or nationals thereof, unless in the opinion of both High Contracting Parties such financing, construction, maintenance, or operation would not affect the security of the Canal.

The High Contracting Parties also agree that such abrogation as is contemplated by this Article shall in no wise affect the maintenance and operation of the present Panama Railroad in the Canal Zone and in territory subject to the jurisdiction of the Republic of Panama.

Article IV

[§ 125] The second paragraph of Article VII of the Convention signed November 18, 1903¹⁰, having to do with the issuance of, compliance with, and enforcement of, sanitary ordinances in the Cities of Panama and Colon, shall be abrogated in its entirety as of the date of entry into force of this Treaty.

Article V

[§ 126] The United States of America agrees that, subject to the enactment of legislation by the Congress, there shall be conveyed to the Republic of Panama free of cost all the right, title and interest held by the United States of America or its agencies in and to certain lands and improvements in territory under the jurisdiction of the Republic of Panama when and as determined by the United States to be no longer needed for the operation, maintenance, sanitation or protection of the Panama Canal or of its auxiliary works,¹¹ or for other authorized purposes of the United States in the Republic of Panama. The lands and improvements referred to in the preceding sentence and the determinations by the United States of America respecting the same, subject to the enactment of legislation by the Congress, are designated and set forth in Item 2 of the Memorandum of Understandings Reached¹² which bears the same date as this Treaty. The United States of America also agrees

that, subject to the enactment of legislation by the Congress, there shall be conveyed to the Republic of Panama free of cost all its right, title and interest to the land and improvements in the area known as Patilla Point and that effective with such conveyance the United States of America shall relinquish all the rights, power and authority granted to it in such area under the Convention signed November 18, 1903.¹³ The Republic of Panama agrees to save the Government of the United States harmless from any and all claims which may arise incident to the conveyance of the area known as Patilla Point to the Republic of Panama.¹⁴

Article VI

[§ 127] Article V of the Boundary Convention, signed September 2, 1914¹⁵, between the United States of America and the Republic of Panama, shall be replaced by the following provisions:

"It is agreed that the permanent boundary line between the City of Colon (including the Harbor of Colon, as defined in Article VI of the Boundary Convention of 1914¹⁶), and other waters adjacent to the shores of Colon) and the Canal Zone shall be as follows:

Beginning at an unmarked point called "E", located on the northeasterly boundary of the Colon Corridor (at its Colon extremity), the geodetic position of which, referred to the Panama-Colon datum of the Canal Zone triangulation system, is in latitude 9° 21' N. plus 0.00 feet (0.000 meters) and longitude 79° 54' W. plus 356.09 feet (108.536 meters).

Thence from said initial point by metes and bounds:

Due East 2662.83 feet (811.632 meters), along North latitude 9° 21' plus 0.00 feet (0.000 meters), to an unmarked point in Folks River, called "F", located at longitude 79° 53' W. plus 3700.00 feet (1127.762 meters);

N. 36° 36' 30" E., 2616.00 feet (797.358 meters), to an unmarked point in Manzanillo Bay, called "G";

N. 22° 41' 30" W., 1192.00 feet (363.322 meters), to an unmarked point in Manzanillo Bay, called "H";

N. 56° 49' 00" W., 777.00 feet (236.830 meters), to an unmarked point in Manzanillo Bay, called "I";

N. 29° 51' 00" W., 2793.00 feet (851.308 meters), to an unmarked point in Manzanillo Bay, called "J";

N. 50° 56' 00" W., 3292.00 feet (1003.404 meters), to an unmarked point in Limon Bay, called "K";

S. 56° 06' 11" W., 4258.5 feet (1298.100 meters), to an unmarked point in Limon Bay, called "L", which is located on the northerly boundary of the Harbor of Colon.

Thence following the boundary of the Harbor of Colon, as described in Article VI of the Boundary Convention signed September 2, 1914, to monument "D", as follows:

N. 78° 30' 30" W., 2104.73 feet (641.523 meters), on a line to the light house on Toro Point, to an unmarked point in Limon Bay,

called "M", located 330 meters or 1082.67 feet easterly and at right angles from the centerline of the Panama Canal;

S. 00° 14' 50" W., 3074.46 feet (937.097 meters), parallel to and 330 meters or 1082.67 feet easterly from the centerline of the Panama Canal, to an unmarked point in Limon Bay, called "N";

S. 78° 30' 30" E., 3952.97 feet (1204.868 meters), to monument "D", which is a concrete monument, located on the easterly shore of Limon Bay.

Thence following the boundary between the City of Colon and the Canal Zone, as described in Article V of the Boundary Convention signed September 2, 1914, to monument "B" as follows:

S. 78° 30' 30" E., 258.65 feet (78.837 meters) through monuments Nos. 28 and 27 which are brass plugs in pavement, to monument "D" which is a concrete monument, the distances being 159.96 feet (48.756 meters), 28.26 feet (8.614 meters), and 70.54 feet (21.467 meters), successively, from beginning of the course;

N. 74° 17' 35" E., 533.60 feet (162.642 meters), along the centerline of Eleventh Street, through monuments Nos. 26, 25, 24 and 23, which are brass plugs in the pavement, to "C", which is an unmarked point beneath the clock pedestal on the centerline of Bolivar Avenue, the distances being 95.16 feet (29.005 meters), 91.02 feet (27.743 meters), 166.71 feet (50.813 meters), 158.66 feet (48.360 meters) and 22.05 feet (6.721 meters), successively, from beginning of the course;

S. 15° 58' 00" E., 965.59 feet (294.312 meters), along the centerline of Bolivar Avenue, through monuments Nos. 22, 21, 20 and 19, which are brass plugs in the pavement, to monument "B", which is a brass plug, the distances being 14.35 feet (4.374 meters), 143.13 feet (43.626 meters), 238.77 feet (72.777 meters), 326.77 feet (99.600 meters) and 242.57 feet (73.935 meters), successively from beginning of the course. (Monument "B" is the point of beginning referred to in Article I of the Convention between the United States of America and the Republic of Panama regarding the Colon Corridor and certain other Corridors through the Canal Zone, signed at Panama on May 24, 1950¹⁷.)

Thence following the boundary between the City of Colon and the Canal Zone, to monument "A", as described in Article I of the Corridor Convention referred to in the next-preceding paragraph:

S. 15° 57' 40" E., 117.10 feet (35.692 meters) along the centerline of Bolivar Avenue to Monument No. A-8, which is a brass plug located at the intersection with the centerline of 14th Street projected westerly, in North latitude 9° 21' plus 1356.18 feet (413.364 meters) and West longitude 79° 54' plus 1862.57 feet (567.712 meters);

N. 73° 59' 35" E., 172.12 feet (52.462 meters) along the centerline of 14th Street to Monument No. A-7, which is a brass plug located at the intersection with the line of the west curb of Boundary Street projected northerly in North latitude 9° 21' plus 1403.64 feet (427.830 meters) and West longitude 79° 54' plus 1697.12 feet (517.283 meters);

Southerly along the westerly curb of Boundary Street and its prolongation to Monument No. A-4, which is a brass plug located at the intersection of two curves, in North latitude 9° 21' plus 833.47 feet (254.042 meters) and West longitude 79° 54' plus 980.94 feet (298.991 meters) (this last mentioned course passes through a curve to the left with a radius of 40.8 feet (12.436 meters) and the intersection of its tangents at point A-6 in North latitude 9° 21' plus 1306.23 feet (398.140 meters) and West longitude 79° 54' plus 1669.37 feet (508.825 meters), and a

⁹ For the 1903 Convention, see App. III, § 61 et seq.

¹⁰ For subsequent legislation of Congress authorizing the conveyance to the Republic of Panama of the lands and improvements referred to in this article and in Item 2 (§ 139, post) of the Memorandum of Understandings Reached, see Act Aug. 30, 1957, Pub. Law 85-223, 71 Stat. 509.

¹¹ For prior agreement with respect to the transfer, to the Republic of Panama, of railroad lots in the cities of Panama and Colon, and the removal of the terminal facilities of the Panama Railroad in Panama, see points 2 and 10 of the General Relations Agreement of May 18, 1942 (§ 61, ante).

¹² For Art. V of the 1914 Boundary Convention, see App. II, § 36.

¹³ For Art. VI of the 1914 Boundary Convention, see App. II, § 37.

¹⁷ For Art. I of the Convention of 1950 regarding the Colon Corridor and certain other corridors, see App. II, § 72.

⁹ For Art. V of the 1903 Convention, see App. III, § 66.

¹⁰ For Art. VII of the 1903 Convention, see App. III, § 68.

¹¹ Agreement by United States that the term "auxiliary works", as used in this Treaty, includes the armed forces of the United States, see Item 11 (§ 148, post) in the Memorandum of Understandings Reached, which accompanied this Treaty.

¹² For Item 2 of the Memorandum referred to, which accompanied this Treaty, see § 139, post.

curve to the right with a radius of 1522 feet (463.907 meters) with the point of intersection of its tangents at point A-5 in North latitude 9° 21' plus 958.14 feet (292.042 meters) and West longitude 79° 54' plus 1105.89 feet (337.076 meters);

Through a curve to the left with a radius of 262.2 feet (79.919 meters) and the intersection of its tangents at point A-3 in North latitude 9° 21' plus 769.07 feet (234.413 meters) and West longitude 79° 54' plus 955.43 feet (291.216 meters); a curve to the right with a radius of 320.0 feet (97.536 meters) and the intersection of its tangents at point A-2 in North latitude 9° 21' plus 673.38 feet (205.247 meters) and West longitude 79° 54' plus 836.40 feet (254.935 meters); and a curve to the left with a radius of 2571.5 feet (783.795 meters) and the intersection of its tangents at point A-1 in North latitude 9° 21' plus 302.15 feet (92.096 meters) and West longitude 79° 54' plus 680.96 feet (207.557 meters) to Monument No. "A", which is a 1½ inch brass plug located in the old sea wall, in North latitude 9° 21' plus 45.60 feet (13.899 meters) and West longitude 79° 54' plus 487.65 feet (148.636 meters);

S. 21°34'50" W., 29.19 feet (8.897 meters), to an unmarked point called #1;

Southeasterly, 23.26 feet (7.090 meters), along a curve to the left with a radius of 2596.48 feet (791.409 meters) (the chord of which bears S. 37°28'20" E., 23.26 feet (7.090 meters) to an unmarked point called #2, located on the southwesterly boundary of the Colon Corridor at North latitude 9°21' plus 0.00 feet (0.000 meters)).

The directions of the lines refer to the true meridian.

The above described boundary is as shown on Panama Canal Company drawing No. 6117-22, entitled "Boundary Line Between the City of Colon and the Canal Zone", scale 1 inch to 600 feet, dated December 23, 1954, prepared for the Canal Zone Government, attached as an annex hereto and forming a part hereof.¹⁸

Article VIII of the General Treaty signed March 2, 1936,¹⁹ as amended by Article III of the Convention between the United States of America and the Republic of Panama regarding the Colon Corridor and certain other corridors through the Canal Zone, signed May 24, 1950,²⁰ is hereby modified by removing from the Colon, or westerly, end of the Colon Corridor the portion thereof lying north of North latitude 9°21' and incorporating such portion within the boundary of the City of Colon as described above.

This Article shall become effective upon completion of the withdrawal by the United States of America from the sections of the city of Colon known as New Cristobal, Colon Beach and the de Lesseps Area, with the exception of the lots retained for consulate purposes, except that it shall in no case become effective prior to the exchange of the instruments of ratification of this Treaty²¹ and the exchange of instruments of ratification of the Convention signed May 24, 1950, referred to in the preceding paragraph.²²

Article VII

[§ 128] The second paragraph of Article VII of the Boundary Convention signed September 2, 1914, between the United States

¹⁸ A reproduction of drawing No. 6117-22, referred to, will be found in Vol. 6, UST, facing page 2308.

¹⁹ For Art. VIII of the 1936 Treaty, see § 39, ante.

²⁰ For Art. III of the 1950 Convention regarding the Colon Corridor and certain other corridors, see App. II, § 74.

²¹ The instruments of ratification of this Treaty were exchanged August 23, 1955.

²² The instruments of ratification of the 1950 Convention regarding the Colon Corridor and certain other corridors were exchanged April 11, 1955.

of America and the Republic of Panama,²³ shall be abrogated in its entirety as of the date of entry into force of the present Treaty.

The landing pier situated in the small cove on the southerly side of Manzanillo Island, constructed pursuant to provisions contained in the second paragraph of Article VII of the Boundary Convention of 1914 between the two countries, shall become the property of the Government of the Republic of Panama as of the date of entry into force of the present Treaty.

Article VIII

[§ 129] (a) The Republic of Panama will reserve exclusively for the purpose of maneuvers and military training the area described in the maps (Nos. SGN-7-54 and SGN-8-54, each dated November 17, 1954) and accompanying descriptions prepared by the Comision Catastral of the Republic of Panama, attached as the Annex hereto,²⁴ and will permit the United States of America, without cost and free of all encumbrances, exclusively to utilize said area for the indicated purpose for a period of fifteen (15) years, subject to extension thereafter as agreed by the two Governments. This authorization includes the free access to, egress from, and movements within and over, said area. This utilization will not affect the sovereignty of the Republic of Panama, or the operation of the Constitution and the laws of the Republic over the mentioned area.

(b) The United States Armed Forces, the members thereof and their families actually residing with them, and United States nationals who, in an official capacity, are serving with or accompanying the Armed Forces of the United States and members of their families actually residing with them will be exempted within the said area from all taxation by the Republic of Panama or any of its political subdivisions.

(c) Prior to the expiration of the period envisaged in this Article and within a reasonable time thereafter the United States shall have the right to remove from this training and maneuver area, or otherwise to dispose of, without limitation or restriction all structures, installations, facilities, equipment and supplies brought into, or constructed or erected within this training and maneuver area by or on behalf of the United States. The Republic of Panama will not be required to reimburse the United States for any structures, installations, facilities, equipment and supplies not removed or otherwise disposed of as provided herein.

(d) The United States shall be under no obligation to restore this training and maneuver area or the facilities and installations thereon to their original conditions upon the termination of this Article, except for the landing strip which will be returned in at least as good conditions as that obtaining at the time of coming into effect of this Article.

(e) The provisions of this Article shall in no manner terminate or modify the provisions concerning the holding of military maneuvers in the Republic of Panama established by the Notes ancillary to the General Treaty signed March 2, 1936,²⁵ other than as

²³ For Art. VII of the 1914 Boundary Convention, see App. II, § 38.

²⁴ Reproductions of maps Nos. SGN-7-54 and SGN-8-54, referred to, will be found in Vol. 6, UST, facing page 2308. The descriptions of the area, also referred to, which accompanied the maps, are set out herein following this Treaty (§§ 135, 136, post).

²⁵ The Agreement referred to was effected by exchange of notes signed February 1, 1939, and it is ancillary to the General Treaty of March 2, 1936 (§ 31 et seq., ante), also referred to. Points 2 and 3 of such Agreement, which relate to military maneuvers, and action in sudden emergency, are set out in footnote 32, ante.

provided herein for this training and maneuver area.

Article IX

[§ 130] The Republic of Panama hereby waives the right under Article XIX of the Convention signed November 18, 1903,²⁶ to transportation by railway within the Zone, without paying charges of any kind, of persons in the service of the Republic of Panama, or of the police force charged with the preservation of public order outside of the Canal Zone, as well of their baggage, munitions of war and supplies.

Article X

[§ 131] The High Contracting Parties agree that, in the event of the discontinuance of the Panama Railroad, and of the construction or completion by the United States of a strategic highway across the Isthmus lying wholly within the Canal Zone intended primarily for serving the operation, maintenance, civil government, sanitation and protection of the Panama Canal and Canal Zone, and notwithstanding anything to the contrary in Article VI of the Convention signed November 18, 1903,²⁷ the United States of America may in its discretion either prohibit or restrict the use, by busses or trucks not at the time engaged exclusively in the servicing of, or the transportation of supplies to, installations, facilities or residents of the Canal Zone, of that portion of such highway which lies between Mount Hope, Canal Zone and the intersection of such highway with the Canal Zone section of the Trans-Isthmian Highway referred to in the Trans-Isthmian Highway Convention between the United States of America and the Republic of Panama, signed March 2, 1936.²⁸

Article XI

[§ 132] The Republic of Panama agrees, notwithstanding the provisions of Article III of the General Treaty signed March 2, 1936,²⁹ that the United States of America may extend the privilege of purchasing at post exchanges small items of personal convenience and items necessary for professional use, to military personnel of friendly third countries present in the Zone under auspices of the United States.

Article XII

[§ 133] The United States of America agrees that, effective December 31, 1956, there will be excluded from the privilege of making purchases in the commissaries and other sales stores in the Canal Zone as well as the privilege of making importations in the Canal Zone all those persons who are not citizens of the United States of America, except members of the Armed Forces of the United States, and who do not actually reside in the Canal Zone but who are included in the categories of persons authorized to reside in said Zone; it being understood nevertheless that all personnel of the agencies of the United States of America will be permitted under adequate controls to purchase small articles such as meals, sweets, chewing gum, tobacco and similar articles near the sites of their jobs.

The United States of America further agrees that, effective December 31, 1956, and notwithstanding the provisions of the first paragraph of Article IV of the General Treaty signed March 2, 1936,³⁰ the Government of the Republic of Panama may impose import duties and other charges upon goods destined or consigned to persons, other than citizens

²⁶ For Art. XIX of the 1903 Convention, see App. III, § 80.

²⁷ For Art. VI of the 1903 Convention, see App. III, § 67.

²⁸ For the 1936 Trans-Isthmian Highway Convention, see App. X, Highways.

²⁹ For Art. III of the 1936 Treaty, see § 34, ante.

³⁰ For Art. IV of the 1936 Treaty, see § 35, ante.

of the United States of America, included in class (a) in Section 2 of Article III of said Treaty²¹, who reside or sojourn in territory under the jurisdiction of the Republic of Panama during the performance of their service with the United States of America or its agencies, even though such goods are intended for their own use and benefit.

Article XIII

[§ 134] The present Treaty shall be subject to ratification and the instruments of ratification shall be exchanged at Washington. It shall enter into force on the date of the exchange of the instruments of ratification.²²

In witness whereof, the Plenipotentiaries have signed this Treaty in duplicate, in the English and Spanish languages, both texts being authentic, and have hereunder affixed their seals.

Done at the City of Panama the 25th day of January 1955.

For the United States of America:

SELDEN CHAPIN.

[SEAL]

For the Republic of Panama:

OCTAVIO FABREGA.

[SEAL]

MEMORANDUM OF UNDERSTANDINGS REACHED²³

[§ 137] In connection with the 1953-1954 negotiations between representatives of the United States of America and the Republic of Panama, which have resulted in the signature of a Treaty between the two countries, the following understandings have been reached:

On the part of the United States of America:

[§ 138] 1. Legislation will be sought which will authorize each agency of the United States Government in the Canal Zone to conform its existing wage practices in the Zone to the following principles:²⁴

(a) The basic wage for any given grade level will be the same for any employee eligible for appointment to the position without regard to whether he is a citizen of the United States or of the Republic of Panama.

(b) In the case of an employee who is a citizen of the United States, there may be added to the base pay an increment representing an overseas differential plus an allowance for those elements, such as taxes, which operate to reduce the disposable income of such an employee as compared with an employee who is a resident of the area.

(c) The employee who is a citizen of the United States will also be eligible for greater annual leave benefits and travel allowances because of the necessity for periodic vacations in the United States for recuperation purposes and to maintain contact with the employee's home environment.

Legislation will be sought to make the Civil Service Retirement Act uniformly applicable to citizens of the United States and of the Republic of Panama employed by the Government of the United States in the Canal Zone.²⁵

²¹ For Art. III of the 1936 Treaty, see § 34, ante.

²² Ratifications were exchanged at Washington on August 23, 1955.

²³ This Memorandum is related, and was attached, to the Treaty of Mutual Understanding and Cooperation, which was signed at Panama January 25, 1955 (§ 121 et seq., ante). See second paragraph of § 152, post, and footnote 99, post.

²⁴ For legislation of Congress pursuant to that part of this item relating to wage and employment practices, see § 141 et seq. of Title 2, Canal Zone Code, and derivation notes thereunder. See, also, section 13 of Act July 25, 1958, Public Law 85-550, 72 Stat. 410 (5 U.S.C. § 2252 note).

²⁵ For legislation of Congress pursuant to this paragraph, see § 181 of Title 2, Canal Zone Code, and derivation note thereunder, particularly subsec. (c) of such section.

The United States will afford equality of opportunity to citizens of Panama for employment in all United States Government positions in the Canal Zone for which they are qualified and in which the employment of United States citizens is not required, in the judgment of the United States, for security reasons.

The agencies of the United States Government will evaluate, classify and title all positions in the Canal Zone without regard to the nationality of the incumbent or proposed incumbent.

Citizens of Panama will be afforded opportunity to participate in such training programs as may be conducted for employees by United States agencies in the Canal Zone.

[§ 139] 2. With reference to that part of Article V of the Treaty signed today²⁶ which deals with the conveyance to the Republic of Panama free of cost of all the right, title and interest held by the United States of America or its agencies in and to certain lands and improvements situated in territory under the jurisdiction of the Republic of Panama, steps will be taken as provided in this Item.

(a) Legislation will be sought to authorize and direct the transfer to the Republic of Panama of all the right, title and interest held by the United States or its agencies in or to the following real property:²⁷

1. The J. N. Viallette and Huerta de San Doval tracts in the city of Panama and the Aspinwall tract on the Island of Taboga.

2. Las Isletas and Santa Catalina Military Reservations on the Island of Taboga. This transfer will include the cable rights-of-way which have a width of 20 feet (6.10 meters) and extend between the Ancon Cove Military Reservation and the Santa Catalina Military Reservation, and between the El Vigia Military Reservation and the Las Isletas Military Reservation.

3. The lot in Colon now reserved for consulate purposes.

4. Certain lands on the westerly shores of the city of Colon described roughly as extending from the southerly boundary of the de Lesseps area (4th Street extended) to the Colon-Canal Zone boundary and bounded on the east by the east wall of the old freight house and, below that structure, by a line 25 feet (7.622 meters) west of the center line of the most westerly railroad track. This transfer will include the certain improvements consisting of the old freight house and Colon Pier Number 3.

(b) Legislation will be sought to authorize and direct the Panama Canal Company to remove its railway terminal operations from the city of Panama and to transfer to the Republic of Panama free of cost all of the right, title and interest of the Panama Canal Company in and to the lands known as the Panama Railroad Yard, including the improvements thereon and specifically including the railway passenger station. This action will also relieve the Government of the Republic of Panama of its obligation under Point 10 of the General Relations Agreement between the United States of America and the Republic of Panama signed May 18, 1942 to make available without cost to the Government of the United States of America a suitable new site for such terminal facilities.²⁸

(c) With respect to those areas in the city of Colon known as de Lesseps, Colon Beach and New Cristobal (with the exception of two lots in the de Lesseps area which the United

²⁶ For Art. V of the Treaty (1955), see § 126, ante.

²⁷ For legislation of Congress authorizing transfer of the properties referred to in all paragraphs and subparagraphs of this item, enacted pursuant to this item, see Act August 30, 1957, Public Law 85-223, 71 Stat. 509.

²⁸ Regarding the legislation referred to, see footnote 85, ante. For point 10 of the General Relations Agreement of May 18, 1942, referred to, see § 61, ante.

States intends to use for consulate purposes), legislation will be sought to authorize and direct the gradual withdrawal from these areas and the conveyance or transfer to the Republic of Panama free of cost of all the right, title and interest of the United States and of its agency, the Panama Canal Company, in and to the lands and improvements thereon. Under this process of gradual withdrawal the United States Government, and/or its agencies, will not be obligated to install any new structure in such areas and, as severable parts of the areas cease to be needed, the lands and improvements would be conveyed or transferred. The severability of parts of the areas depends upon a number of practical considerations including those having to do with the present obligations of the United States, with respect to the subject areas, concerning water and sewerage facilities, street cleaning and paving, water supply, et cetera, as stipulated in the Instrument of Transfer of Water and Sewerage Systems, executed between the Governor of the Panama Canal and the Foreign Minister of Panama on December 28, 1945.²⁹

(d) With respect to the railroad passenger station and site in the city of Colon, legislation will be sought to authorize and direct the withdrawal from such site and structure at such time as the withdrawal from the areas known as de Lesseps, Colon Beach and New Cristobal, contemplated by the next preceding subparagraph, shall have been fully completed, and the conveyance to the Republic of Panama free of cost of all the right, title and interest of the United States and of its agency, the Panama Canal Company, in and to such site and structure. However, the railroad tracks and trackage area in Colon, being required for switching purposes serving the Cristobal piers, will be retained for such purposes.

(e) All transfers or conveyances of lands and improvements contemplated by this Item, subject to legislative authorization and direction, will necessarily be made subject to any leases which may be outstanding in the respective areas, and will also contain provisions fully protecting the Government of the United States of America against any claims by lessees for damages or losses which may arise as a result of such transfers or conveyances.

(f) The transfers or conveyances contemplated by this Item, subject to legislative authorization, are in addition to the conveyance of Paitilla Point as specifically covered by Article V of the Treaty signed today, and to the transfer of real property effected by Article VI of said Treaty.³⁰

[§ 140] 3. Articles, materials, and supplies that are mined, produced or manufactured in the Republic of Panama, when purchased for use in the Canal Zone, will be exempted from the provisions of the Buy American Act.³¹

[§ 141] 4. Referring to the exchange of notes dated March 2, 1936, accessory to the General Treaty between the United States of America and the Republic of Panama signed on that date, relative to the sale to ships of goods imported into the Canal Zone by the Government of the United States of America³², the United States of America agrees, effective December 31, 1956, and in benefit of Panamanian commerce, to withdraw wholly from, and thereafter to refrain from, any such sales to ships, provided that nothing in this Item shall apply:

(a) to sales to ships operated by or for

²⁹ See point 1 of the General Relations Agreement of May 18, 1942 (§ 61, ante), and footnote 35, ante.

³⁰ For Arts. V and VI of the Treaty (1955), see § 126, 127, ante.

³¹ See 41 U.S.C. §§ 10a-10c.

³² The notes dated March 2, 1936, referred to, which were accessory to the Treaty of that date, are set out in footnote 17, ante.

the account of the Government of the United States of America,

(b) to the sale of fuel or lubricants, or
(c) to any sale or furnishing of ships stores which is incidental to the performance of ship repair operations by any agency of the Government of the United States of America.

[§ 142] 5. Legislative authorization and the necessary appropriations will be sought for the construction of a bridge at Balboa referred to in Point 4 of the General Relations Agreement of 1942.⁴³

[§ 143] 6. The United States of America agrees, effective December 31, 1956, to withdraw from persons employed by agencies of the Government of the United States of America in the Canal Zone who are not citizens of the United States of America and who do not actually reside in said Zone the privilege of availing themselves of services which are offered within said Zone except those which are essential to health or necessary to permit them to perform their duties.⁴⁴

[§ 144] 7. It is and will continue to be the policy of the Panama Canal agencies and of the Armed Forces in the Canal Zone in making purchases of supplies, materials and equipment, so far as permitted under United States legislation, to afford to the economy of the Republic of Panama full opportunity to compete for such business.

[§ 145] 8. In general connection with the matter of the importation of items of merchandise for resale in the sales stores in the Canal Zone, it will be the practice of the agencies concerned to acquire such items either from United States sources or Panamanian sources unless, in certain instances, it is not feasible to do so.

[§ 146] 9. With respect to the manufacture and processing of goods for sale or consumption by individuals, now carried on by the Panama Canal Company, it will be the policy of the United States of America to terminate such activities whenever and for so long as such goods, or particular classes thereof, are determined by the United States of America to be available in the Republic of Panama on a continuing basis, in satisfactory qualities and quantities, and at reasonable prices. The United States of America will give prompt consideration to a request in writing on the part of the Government of Panama concerning the termination of the manufacture or processing of any goods covered in this Item as to which the Government of Panama may consider the criteria specified in this Item to have been met.

[§ 147] 10. Prompt consideration will be given to withdrawing from the handling of commercial cargo for transshipment on Canal Zone piers so soon as Panamanian port facilities are in satisfactory operation in Colon.⁴⁵

[§ 148] 11. The United States agrees that the term "auxiliary works" as used in the

⁴³ For point 4 of the General Relations Agreement referred to, see § 61, ante. For subsequent legislation of Congress on the subject of a bridge over the Panama Canal at Balboa, see §§ 471 and 472 of Title 2, Canal Zone, and derivation notes thereunder. Construction of the bridge has been completed.

⁴⁴ For note of March 2, 1936, ancillary to the General Treaty of Friendship and Cooperation of that date, relating to limitation on use of Canal Zone facilities, see that part of footnote 17, ante, headed: "United States Note.—Limitation on Use of Canal Zone Facilities".

⁴⁵ For note of March 2, 1936, ancillary to the General Treaty of Friendship and Cooperation of that date, relating to the conduct by the Government of the United States of a bonded warehouse business in the Canal Zone, and to the continuance of the "hold for orders" business in the terminal ports of the Canal, see that part of footnote 17, ante, headed: "United States Note.—Bonded Warehouse and 'Hold for Orders' Businesses".

Treaty includes the Armed Forces of the United States of America.⁴⁶

On the part of the Republic of Panama:
[§ 149] 1. The Republic of Panama will lease to the United States of America, free of all cost save for the recited consideration of one Balboa, for a period of 99 years, two parcels of land contiguous to the present United States Embassy residence site, as designated on the sketch (No. SGN-9-54, dated November 19, 1954) and accompanying descriptions prepared by the Comision Catastral of the Republic of Panama, attached hereto.⁴⁷

[§ 150] 2. The Republic of Panama assures the United States of America that the property, shown and described on the attached map (No. SGN-6-54, dated October 1954) and accompanying description prepared by the Comision Catastral of the Republic of Panama,⁴⁸ in front of the United States Embassy office building site and between the Bay of Panama and Avenida Balboa as it may be extended between 37th and 39th Streets, will be preserved permanently as a park and not developed for commercial or residential purposes.

[§ 151] 3. So long as the United States of America maintains in effect those provisions of Executive Order No. 6997 of March 25, 1935 governing the importation of alcoholic beverages into the Canal Zone,⁴⁹ the Republic of Panama will grant a reduction of 75 percent in the import duty on alcoholic beverages which are sold in Panama for importation into the Canal Zone pursuant to such Executive Order.

[§ 152] 4. In connection with the authorization granted to the United States of America in Article VIII of the Treaty,⁵⁰ the United States shall have free access to the beach areas contiguous to the maneuver area described in said Article VIII for purposes connected with training and maneuvers, subject to the public use of said beach as provided under the Constitution of Panama.

The provisions of this Memorandum of Understandings Reached shall enter into force upon the exchange of instruments of ratification of the Treaty signed this day by the United States of America and the Republic of Panama.⁵¹

Done in duplicate in the City of Panama, in the English and Spanish languages, this 25th day of January 1955.

For the United States of America:
SELDEN CHAPIN,
Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Panama.

For the Republic of Panama:
OCTAVIO FABREGA,
Minister of Foreign Affairs of the Republic of Panama.

[SEAL]

⁴⁶ For use of the term "auxiliary works" in the Treaty (1955), see pars. (1) and (3) of Art. II (§ 123, ante), and Art. V (§ 126, ante), thereof.

⁴⁷ A reproduction of sketch No. SGN-9-54, referred to, will be found in Vol. 6, UST, facing page 2350. The descriptions accompanying the sketch, also referred to, are set out herein following this Memorandum of Understandings Reached (§§ 153, 154, post).

⁴⁸ A reproduction of map No. SGN-6-54, referred to, will be found in Vol. 6, UST, facing page 2360. The descriptions accompanying the map, also referred to, are set out herein following this Memorandum of Understandings Reached (§ 155, post).

⁴⁹ With respect to Exec. Order No. 6997 of March 25, 1935, referred to, see note under section 731 of Title 2, Canal Zone Code.

⁵⁰ For Art. VIII of the Treaty (1955), see § 129, ante.

⁵¹ The instruments of ratification of the Treaty (Treaty of Mutual Understanding and Cooperation, § 121 et seq., ante), which was signed at Panama January 25, 1955, were exchanged at Washington August 23, 1955. The Treaty entered into force on August 23, 1955.

[84th Congress, 2d Session, House of Representatives, Report No. 1878]

INTERIM REPORT ON ABANDONMENT OF PANAMA RAILROAD

Pursuant to the authority contained in House Resolution 118, the Panama Canal Subcommittee of the House Committee on Merchant Marine and Fisheries undertook an investigation of the Panama Railroad.

The Committee on Merchant Marine and Fisheries has adopted and ordered reported the report of the subcommittee.

Early in 1954, the Panama Canal Company indicated its intention to abandon the railroad and substitute a new highway on its roadbed. In connection with its plan, the Company caused an economic study of railroad transportation of its own freight and passengers to be made, in which the conclusion was drawn that construction and use of the proposed highway would result in lower transportation costs for the Company. The report stressed the loss of business by reason of the fact that other Government agencies, notably the military, had substituted the use of trucks for freight movements, as had the Company-Government itself, and that the future trend of strictly commercial business was downward. Subsequently, the ratification of the treaty between the Republic of Panama and the United States, with its surrender of all terminal properties located in Panama on both sides of the isthmus to that country, placed further obstacles in the course of continued railroad operation.

The Governor of the Canal Zone, at a hearing held by this subcommittee in June 1955 stated his intention to abandon the railroad and cited as his authority section 249 of the Panama Canal Company Act, which sets forth the specific powers of the Panama Canal Company and includes, among others, the provision that the Company "may construct, maintain, and operate a railroad across the Isthmus of Panama." According to his reasoning, the word "may" is permissive and implied therein is the discretion on the part of the Company to cease operations without seeking the approval of Congress. When it was pointed out to him that the Company's authority to operate the canal was expressed in the same permissive form, he disclaimed any belief on his part or that of his Directors that the canal could be abandoned without action by Congress. It is the view of the subcommittee that the authority of the Panama Canal Company to abandon operation of the railroad, in the light of the history of the legislation under which it operates, is at least questionable.

The railroad is the only means of land transportation across the Isthmus of Panama located wholly within the Canal Zone. Its abandonment would entail either the construction of a road within the zone or use of the existing transisthmian highway in the Republic of Panama. For a number of reasons, the latter course would not be desirable from the point of view of the best interests of the United States. The cost of the new highway has been variously estimated at \$9 million to \$35 million.

Since World War II, traffic on the railroad has been steadily declining. There are a number of causes for this, the first in point of time being the opening of the Boyd-Roosevelt Highway across the isthmus in 1943. This road, connecting the terminal cities of the railroad, has diverted some freight and passengers to a truckline and a busline. Then too, aside from housing, large-scale construction, with the need for transportation of quantities of materials, has largely been completed in the Canal Zone. In addition, use of the railroad by the military has virtually ceased and the Company's use of its own facility has been steadily declining. The management of the railroad has made little or no effort to meet this problem of developing business. The views of the Secretary of the Army, who is responsible for the

operations of both the Army and the Panama Canal Company, will be sought by the committee.

The subcommittee has held a number of hearings both in Washington and the Canal Zone and has heard both from Company witnesses and those interested in continuing operation of the railroad. A considerable amount of the testimony was necessarily conflicting and would require the services of an expert to evaluate properly. It is the opinion of the subcommittee that the operation of the railroad should be continued pending an examination and report by qualified railroad experts. In addition to other matters, the subcommittee desires a report on the physical condition of the railroad, its traffic potential, an estimate of the probable overall cost of operation as compared with a highway and, if its retention is recommended, a statement of the steps required to reduce the losses in operation presently being incurred.

Until such report is made and the subcommittee has had opportunity to consider it, it is recommended that operation of the railroad be continued at present levels of service and equipment and that the Panama Canal Company consider the advisability of utilizing the railroad for a larger part of its own transportation needs.

[84th Congress, 2d Session, House of Representatives, Report No. 2974]

ABANDONMENT OF PANAMA RAILROAD

LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES, COMMITTEE ON MERCHANT MARINE AND FISHERIES,

Washington, D.C., January 3, 1957.

HON. RALPH ROBERTS,
Clerk of the House,
The Capitol, Washington, D.C.

DEAR MR. ROBERTS: There is transmitted herewith to be filed in the House, while it is not in session, a report of the Committee on Merchant Marine and Fisheries, which was this day ordered reported to the House, pursuant to House Resolution 118, by the full committee in executive session.

I request that the report be printed.

Sincerely yours,

HERBERT C. BONNER,
Chairman.

Pursuant to the authority contained in the House Resolution 118, the Panama Canal Subcommittee of the House Committee on Merchant Marine and Fisheries undertook an investigation of the Panama Railroad.

Early in 1954, the Panama Canal Company indicated its intention to abandon the railroad and substitute a new highway on its roadbed. In connection with the plan, the Company caused an economic study to be made of railroad transportation of its own freight and passengers. As a result of this study, the conclusion was drawn that construction and use of the proposed highway would result in lower transportation costs for the Company. The Company's report stressed the loss of business by reason of the fact that not only the Panama Canal Company and Canal Zone Government, but other Government agencies, notably the military, had substituted the use of trucks for freight movements in lieu of use of the railroad, and that the future trend of strictly commercial business by rail was downward. Subsequently, the ratification of the treaty between the Republic of Panama and the United States, with its surrender of all terminal properties located in Panama on both sides of the isthmus to that country, placed further obstacles in the course of continued railroad operation.

The Governor of the Canal Zone, at a hearing held by this subcommittee in June 1955, stated his intention to abandon the railroad and cited as his authority section 249 of the Panama Canal Company Act, which sets forth the specific powers of the

Panama Canal Company and includes, among others, the provision that the Company "may construct, maintain and operate a railroad across the Isthmus of Panama." According to his reasoning, the word "may" is permissive. Accordingly, there is implied discretion on the part of the Company to cease operations without seeking the approval of Congress. When it was pointed out to him that the Company's authority to operate the canal was expressed in the same permissive form, he disclaimed any belief on his part or that of his Directors that the canal could be abandoned without action by Congress.

It is the view of the subcommittee that the Panama Canal Company, in view of the legislation under which it operates, has no authority to abandon operation and scrap the railroad without specific authorization of Congress.

The Committee on Appropriations of the Senate, in its report accompanying the Department of Commerce and related agencies appropriation bill, 1956, included the following:

The committee directs that no action be taken to abandon the Panama Railroad until the appropriate committees of Congress have investigated the proposal and indicated their approval.

Mr. Merle Whitman, Secretary of the Panama Canal Company, at the hearing held by this subcommittee on June 17, 1955, in response to a question as to the authority of the Company to abandon, stated:

I think we can say that we consider that at this time we are bound not to proceed with that until the Congress in one way or another has authorized us to proceed.

On March 13, 1956, the committee submitted an interim report to the House (H. Rept. 1878) in which it recommended the retainer of qualified railroad experts to examine the problem. Thereafter, the committee retained Mr. John T. Ridgely, former official of the Pennsylvania Railroad, to make a survey of the operation of the railroad and to render an expert opinion as to the desirability of its abandonment. This entailed a comprehensive study of the present operation, the heads of the various Government agencies involved, the prospective requirements of the Republic of Panama, costs of operation of trucks as against the railroad and what, if any, action could be taken to eliminate the losses presently being suffered by operation of the railroad. Needless to say, this involved many intricate and complex problems and relationships as well as a number of intangibles.

In order to appreciate the situation, it is necessary to realize that the principal consignees who receive freight and who likewise require passenger service are (1) the Panama Canal Company and Canal Zone; (2) the Armed Forces; and (3) the Republic of Panama. All three are now served by (1) railroad; (2) trucks and buses; and (3), to a certain extent, the Panama Canal.

The Panama Canal Company, due to its multiplicity of operations, is the most complex, having to serve its commissaries which feed and clothe its employees, deliver supplies to its storehouses, handle machinery and equipment for its maintenance and repair departments of the canal proper, furnish the materials for its streets, highways, sewer and water departments and housing, etc., and last, but not least, the transportation of its employees and their families.

The Armed Forces are faced with similar operations in their own departments.

The Republic of Panama, up until 1942, was required to make use of the Panama Railroad to a very great extent, as it was the only avenue for traffic between the Atlantic and Pacific, and vice versa. Even with the construction of Boyd-Roosevelt Highway in 1942, connecting Colon and Panama City, very little use was made of it freightwise until 1949, when a trucking line called Ter-

minales Panama S. H., owned and operated by Panamanians, entered the field. Due to various reasons, this company was unable to actively compete with the railroad until 1952. Since this date it has made serious inroads into the tonnage handled by the railroad across the isthmus.

In order to properly analyze these problems, a brief outline is herewith made of the various forms of transportation mentioned above:

(1) THE PANAMA RAILROAD COMPANY

This line was completed in 1855, the first transcontinental railroad in the Americas. It is 47.64 miles in length with numerous passing sidings and spurs to all the important traffic destinations, a total of approximately 142 miles of track. It is laid with 90- and 100-pound rail to a 5-foot gage, stone ballasted, and operated by train orders and automatic signals. Its highway and street crossings are protected by automatic gates and flashing light signals. It is well maintained and fairly well operated. The equipment is a mixture of old and fairly modern, but all well maintained. List attached includes freight cars and mahogany passenger cars built from 1915 to 1945, said list marked "Exhibit A." The locomotives in use are diesels acquired in 1942: 9 are class 900, 1,500 horsepower, and 5 are class 400, 1,000 horsepower. The latter being used in yard service and for extra road service, both freight and passenger, and are in good order. Both locomotive and car equipment is maintained under standards used on railroads in the States.

The supervisory force are United States citizens, and the following are likewise in this classification: dispatchers, agents operators, car and enginehouse foremen, conductors and enginemen, machinists, car inspectors, and track foremen. There are 86 persons in this group. The balance of the railroad force consists of 322 Panamanians (local rate), who fill positions of clerks, locomotive firemen, brakemen, freight and passenger, helpers in the enginehouse and carshops, and in the signal department, and track laborers and truckers in the freight houses. The railroad through its track layout on the piers on both the Atlantic and Pacific Coasts, and its spur tracks leading to the principal points of delivery for cargo, is properly equipped to deliver all types of freight, heavy or light. It depends, of course, on volume for its maximum economic results. It naturally requires the use of trucks to locations in the terminals not provided with spurs or sidetracks. The same situation and conditions apply to its passenger transportation. A comparison is shown herewith of both freight and passengers carried in fiscal year 1954, the last year in which the railroad incurred no financial loss, and before competition with trucks really began, and fiscal year 1956, when a loss of \$281,249 was experienced from the truck and bus competition:

| | Total freight tonnage | Total passengers carried |
|--------------|-----------------------|--------------------------|
| Fiscal year: | | |
| 1954..... | 186,576 | 420,366 |
| 1956..... | 110,603 | 417,229 |
| Loss..... | 76,973 | 3,147 |

Further analysis will be shown later, but it must be realized that there was handled in both years a considerable tonnage not shown which was handled by the railroad in each terminal in what is known as switching service at a very low rate per freight car handled. This freight is in volume, and is at a rate that is not profitable to trucks. This includes freight from pier No. 8 to Mount Hope, the main commissary warehouse on the Atlantic, as well as to certain Army installations in that district, also on the Pacific side between pier No. 18 and Panama City freight station

and, likewise, from this pier to the United States Army cold-storage building and Army warehouses.

(2) TRUCK AND BUS TRANSPORTATION

Prior to construction of the transisthmian Boyd Roosevelt Highway at a cost of \$9,735,000, by the United States in 1942, joining the city of Panama on the Pacific with Colon on the Atlantic, the railroad was supreme. However, by 1949, several Panamanian truckers began operations. The most important being the firm of Terminales, a corporation owned by important Panamanians. This company purchased excellent equipment and is well operated, but was unable until 1952 to obtain any of the through-bill freight between Cristobal and Panama City being carried from the east-coast cities of the United States by Panama Canal Company boats. Since that privilege has been obtained, their business has grown tremendously, with resulting losses to the railroad.

A decision just prior to 1954 was also made by the Panama Canal Company, after a rather perfunctory study, to start operating trucks in transisthmian service in direct competition with the railroad, the principal freight to be handled being frozen foods and commissary commodities. This required the purchase of insulated trailers and a number of tractors. A decision was made at this time not to revamp some of the refrigerator cars with rather inexpensive mechanical refrigeration equipment costing installed \$4,000 per car. This decision definitely denied the railroad the opportunity to handle frozen foods and resulted in the Armed Forces likewise acquiring semi-insulated trailers and hauling their own frozen foods.

The decision to enter into truck transportation, I feel, was dictated also on the premise so widely publicized in the States that railroads are unable to compete with trucks in a 50-mile haul. This theory in the States is based on the heavy terminal expense experienced by the railroads due to high cost of land, excessive taxes, and the difficulties and expense necessary to reach many industrial plants with track sidings. This is further augmented by the necessity of maintaining and owning their own right-of-way, while trucks operate on roads and highways owned and maintained by the public.

(3) THE PANAMA CANAL

Transportation via the canal is only involved in this study insofar as it furnishes service to the Panama Canal Company, the armed services, and Republic of Panama. This covers cargo landed at either end of the canal for use of operations immediately adjacent thereto. There is no benefit to the consignee, as rates are the same as those charged for ship and rail transshipment. Some barging is done on the canal by the Company but, in general, only for heavy cargo to points not reached by the railroad.

To further expand on the users of the transportation operations enumerated above—

(1) The Panama Canal Company and Canal Zone do not have the largest tonnage, but do have greatest diversity of operation. These include the steamship terminals on both the Pacific and Atlantic, all piers being served by railroad tracks which are also available to handle railroad cars on which to place cargo too heavy for any but the ship's own derrick to handle. Much of this cargo is "in-transit" in nature. The cargo received at these piers in addition to the "in-transit" is (a) through cargo; (b) local cargo; or (c) cargo destined to the immediate territory or that adjacent to the terminals.

(a) Through cargo is shipment landed from steamship at one terminal but en route to the opposite side of the isthmus, on which the land carrier receives 20 percent of the total revenue.

(b) Local cargo is freight unloaded at one terminal but destined to either the opposite

side of the canal or to intermediate points on which revenues are derived from payments of prescribed tariffs.

(c) The cargo destined to locations in the territory immediately contiguous to the terminals and handled by switching rates or local trucks. The points beyond the immediate terminals into which cargo is delivered are the main commissary warehouses at Mount Hope, Cristobal, Camp Bird, and Rainbow City on the Atlantic and Balboa, Tivoli, La Boca, and Gamboa, as well as a cold-storage facility at Corozal, which are all served by railroad spurs, but which are also equipped for truck loading or unloading. In addition are a number of service clubs and smaller retail stores not served by tracks, but solely dependent on truck deliveries. There are various storehouses for material and equipment, large maintenance bases at Gatun, Gamboa, Pedro Miguel, Mira Flores, and Balboa.

(2) The Armed Forces receive a larger cargo than the Canal Company, but are located at points which are more inaccessible for rail deliveries. Sidetracks do serve the quartermaster warehouse and the United States cold storage warehouse at Corozal on the Pacific side, from which Albrook Field, Fort Clayton, Fort Amador, as well as Rodman Naval Station and Fort Kobbe, are all reached by trucks. The railroad also has tracks to the ammo storage and Signal Corps warehouses at Madden and Fort Davis on the Atlantic side, but Fort Sherman, Fort Randolph, as well as Fort Gulick and France Field¹ can be only reached by trucks.

(3) Republic of Panama has an extremely

¹ France Field did have a railroad track, but this was removed in 1955.

large important commercial cargo of freight which inbound travel on fairly attractive rates, either through or local, from foreign countries and the United States, and is handled primarily from piers at Cristobal and Balboa in the Canal Zone. The major portion of through traffic is now being handled on Panamanian trucks, the balance being handled through the Canal Company freight-house at Panama City, after being transferred from pier No. 18 by rail on a switching tariff of 75 cents per ton. This rate is considerably less than would be the rates by trucks.

CONCLUSIONS

The following tonnage was received over the docks at Cristobal and Balboa in the year 1956:

| | Cristobal | Balboa | Total |
|--|-----------|---------|---------|
| Canal Company and Canal Zone Government..... | 164,357 | 6,784 | 71,141 |
| Military..... | 31,786 | 79,183 | 110,969 |
| Canal Zone commercial..... | 15,813 | 723 | 16,536 |
| Republic of Panama..... | 204,941 | 52,580 | 257,521 |
| Total..... | 316,897 | 139,270 | 456,167 |

¹ See footnote 2 to the table following.

This tonnage is broken down into subdivisions showing (1) tonnage transported by rail across the isthmus; (2) tons handled by Canal Company trucks across the isthmus; (3) amount handled by military trucks across the isthmus; and (4) amount hauled by Panamanian trucks. The remaining tonnage was delivered either to intermediate points or to destinations in territory in close proximity to the docks on either the Atlantic or Pacific sides.

| | Railroad (1) | Company trucks (2) | Military (3) | Other trucks (4) |
|--|-----------------|-----------------------|-----------------|---------------------|
| Canal Company and Canal Zone Government..... | 136,667 | 24,700 | | |
| Military..... | 7,714 | | 28,656 | |
| Canal Zone commercial..... | 8,337 | | | |
| Republic of Panama..... | 57,885 | | | 66,156 |
| Total..... | 110,603 | | | |

¹ Includes 21,933 tons of freight from commissary at Mount Hope, Atlantic side, to Balboa commissary on Pacific side, on which only \$1.50 per car-mile or \$1.66 per ton is estimated as revenue on basis of 21,933 tons. (Actually there is almost double this tonnage, as there are 72,576 car-miles, but only 48,384 car-miles are paid for by the Company.) No explanation was offered for this.

² Cargo shown handled by Canal Company trucks, 24,700 tons, includes tonnage moved from Mount Hope commissary to commissary at Balboa and cold storage warehouse at Corozal on Pacific side, and includes frozen foods, bread, pastry, groceries, clothing, and furniture. The cost of handling this tonnage is \$103,987, or \$4.21 per ton. Of the 64,357 tons of cargo unloaded at Cristobal for the Panama Canal Company, 42,385 tons are moved by cars from docks to Mount Hope commissary on a switching rate per car of \$7.50, or 21 cents per ton. This service is a direct loss to the Railroad Company and is part of the loss of \$281,000. Trucks could not handle this tonnage for less than \$1.75 per ton. This likewise applies to 5,005 tons to storekeeper, 2,905 tons to Mindi Dairy, and 960 tons to miscellaneous points, or a total of 51,255 tons at a total revenue of \$12,265 in lieu of \$38,500, if a rate of 75 cents per ton were received, similar to that paid for commercial tonnage from pier No. 18 on the Pacific side to Panama City.

³ Of the traffic moved for the military or Armed Forces there was also 12,500 tons moved in switching service from pier No. 18 on the Pacific side to quartermaster storehouse and cold-storage warehouse at Corozal at switching rates. This likewise would cost trucks \$1.75 per ton in lieu of \$7.50 per car, or 21 cents per ton credited to railroad.

⁴ Commercial freight for Republic of Panama landed at pier No. 18 is moved primarily by railroad cars at 75 cents per ton to Panama City for redistribution by trucks in the city. This freight could not be moved profitably by trucks for less than \$2 per ton. This tonnage amounts to 52,580 tons.

The Navy likewise moved approximately 5,000 tons of freight from Balboa and Cristobal piers under contract with the Panamanian firm Terminales at a cost of \$2 per ton. This is done because of unsatisfactory trucking by the Army trucks.

No accurate costs are available from the Armed Forces on the cost of trucking or the tonnage handled—figures used were furnished by the military.

From the above facts it is evident that the railroad through lack of understanding of management is being penalized and fails to receive credit for the following services. These are as follows and would tend to decrease, if not eliminated, the deficit of \$281,000 in fiscal year 1956:

- (a) Revenue credited railroad for 48,384 car-miles—Mount Hope to Balboa for commissary tonnage—when actual car mileage is 72,576, at \$1.50 per car mile—rate itself is low and tonnage is estimated..... \$36,438
- (b) Revenue credited railroad for switching movement from Cristobal piers to Mount Hope commissary of \$7.50 per car, or 21 cents per ton for 42,385

tons, as well as further miscellaneous tonnage also handled at switching rates of \$7.50 brings total to 51,255 tons, which rate should be adjusted to 75 cents per ton, an increase to railroad of..... \$26,235

- (c) Revenue from military on Pacific side, 12,500 tons at a rate of \$7.50 per car, should be increased 75 cents per ton, resulting in additional revenue in the amount of..... 6,750
- (d) Canal Company should eliminate competitive traffic by truck on Transisthmian Highway, which is costing minimum of \$4.21 per ton for 24,700 tons, or..... 104,087

| | |
|---|-----------|
| (e) Military should discontinue trucking from coast to coast of 28,656 tons at a cost of \$4.21 per ton, which is cost of Canal Company trucking..... | \$120,641 |
| (f) Consider revising upward cost of handling commercial cargo from pier No. 18 to Panama freight station by 50 cents per ton for 52,580 tons..... | 26,290 |
| Total | 320,441 |

This can be accomplished by proper directive and an expenditure of \$4,000 per car for reconverting 10 refrigerator cars to low temperature by mechanical refrigeration. It will involve a change of freight-train schedules with very little increase in operating costs.

Bus operation

The Canal Company has buses furnished by a concessionaire operating in both the Atlantic and Pacific areas of the Canal Zone. They do not operate across the isthmus nor do they extend into the Republic of Panama. They are solely for the purpose of furnishing transportation to the various communities in the zone and serving various labor concentration, as means of bringing employees to and from their homes to places of employment. The concessionaire receives no recompense from the Canal Zone Government, nor does he pay rental to the Government for the use of the streets and highways. The fares charged users are regulated by the Canal Zone Government.

The Canal Company does use its own passenger cars and pickups for handling employees in competition with the railroad. This includes transporting pilots and their crews and doctors and their families, and for other similar services. This service and the cost thereof should be more closely policed and the cost accurately determined. Some is undoubtedly necessary.

The Armed Forces use buses as well as other vehicles for transportation across the isthmus, many times in direct competition with the railroad. The buses are those used in transporting children to and from schools as part of their assignment, but no accurate cost of mileage, maintenance, and depreciation are available.

It can readily be seen that it is possible, as in the use of trucks for transisthmian hauling, that the most economical means are not being employed.

Proposed highway from Gatun to Gamboa

This 2-lane 32-mile highway which is proposed to be built between Gatun and Gamboa on the right-of-way of the railroad if it is abandoned, will cost an estimated \$9 million, although detailed investigations may increase this cost. A portion of the railroad right-of-way between mileposts 12 and 16, a distance of 4 miles, is narrow, and in places rather unstable, particularly in the vicinity of Monte Lirio, and requests frequent resurfacing. Whether this condition will be eliminated or augmented by construction of a highway is a question that can only be answered by further tests.

The estimate of \$2,000 per mile for maintenance is very questionable, as the Boyd-Roosevelt Highway now costs \$2,700 per mile, and will very likely increase with the heavier trunk tonnage. A more realistic estimate would be at least \$2,500 per mile. The road should be depreciated in 25 years, as this is the life of a two-lane highway carrying the proposed traffic. This would mean \$360,000 per year for depreciation, and interest at 2½ percent would involve an additional \$225,000 if the cost does not exceed \$9 million, a total yearly charge including maintenance of \$665,000.

At least 20 percent of the cost should be charged to truck and bus operation, or an amount of \$133,000. In addition, an amount of \$7 million, the present value of the rail-

road, would be washed out with very little return in salvage. A very heavy price to pay for a substitute for an existing means of moving freight and passengers simply because the method has shown a loss.

The intangibles in this study are due primarily to the terms of the treaty. Under the treaty the United States has agreed to the following items, each of which create some cost and one at least is the question of proper location for the displaced facilities.

(1) The present passenger station, now located on land in the Canal Zone adjacent to Colon, is to be deeded to the Republic of Panama. This station can be relocated a short distance from its present site to one in the Canal Zone at 13th and 14th Streets, west of Bolivar, at a cost of approximately \$31,500.

(2) The present passenger station and freight station, as well as the supporting yard tracks in Panama City, but on land owned by the Canal Company, must be relocated further north on other property owned by the Canal Zone. This primarily because the switching of these facilities interfere with the street traffic on Central Avenue, one of the main thoroughfares of the city and, further, the present layout and ownership divides the city's ownership.

A number of prominent Panamanians, who would prefer to remain anonymous, stated they would prefer to have the railroad remain; one of these is the president of the trucking firm Terminales. They all claim it is a stabilizing influence on traffic rates. Also, that they prefer using passenger service rather than using the highway because of its grades and curves which are hazardous during the rainy season, together with the added danger from fogs.

RECOMMENDATIONS

The Panama Railroad should be retained due to the fact that it does perform the most economical form of mass transportation, regardless of the fact that it showed a deficit of \$281,000 in the fiscal year 1956.

The importance of the railroad in the event of a national emergency should not be underestimated.

Insofar as the deficit is concerned, this can be reduced, if not eliminated by the following actions:

(1) Make reductions in railroad costs in line with the following suggestions:

(a) Reduce overhead by decreasing the number of supervisory officers. At present there is a superintendent, a master of transportation, and a roadmaster. A capable superintendent could handle all three positions; a savings of at least \$20,000. This railroad is less than 50 miles in length and is not operated to near capacity.

(b) Eliminate agent operators at passenger stations, saving of \$18,000. Replace the agent operator at Colon by installing train dispatchers in the station where he can dispatch trains and perform station agent's duties, as well as other functions to be assigned. At Panama City use a clerk for the station operations. Train orders can be taken by conductors, thereby eliminating transmission by telegraphy.

(c) Reduce maximum speed from 60 to 50 miles per hour, all other speeds to remain as specified in the timetable. This will not materially affect operation, but will give opportunity for greater saving in maintenance.

(d) Use weed killer in lieu of cutting and pulling grass and weeds along right-of-way, resulting in reduction in size of track gangs, saving at least \$10,000 annually.

(e) Reschedule freight trains Nos. 31 and 32 and eliminate freight trains Nos. 41 and 42. Have train No. 31 leave Mount Hope not later than 5:30 a. m., to move all loads and empties accumulated to that time for early placement on the Pacific side before 7 a. m. This should regain some of the traffic lost to trucks. Have 32 rescheduled to leave at a

convenient later time to handle all loads and empties from the Pacific to the Atlantic side and also do all local work en route. It is possible this setup will reduce yard operations.

(f) Study passenger-train schedules, making checks of number of passengers handled per train, with the idea of eliminating some non-paying service. Also consider elimination of round-trip fares, which will serve to increase the rate per passenger by approximately 20 percent.

(2) Methods to be used to regain traffic now being handled by trucks and buses

(a) Study the placing of trailers on flatcars by using blocking used by circus operation. Large temporary blocks and iron plates to be swung between cars will perform a fairly adequate substitute for more expensive methods employed in the States. It is indicated that a rate of \$15 per trailer, plus \$8 for loading and unloading, would be reasonable. This is to be done only if the Canal Company and Armed Forces cannot be prevailed upon to return the business now handled unprofitably by trucks to the railroad. All this tonnage, both refrigerated and other now costing at last \$4.21 per ton by trucks, can be handled by rails at a lesser cost. This will require no more than 10 refrigerated cars converted to freezing temperatures by addition of mechanical units of \$4,000 per car.

(b) The Panama Canal Company and the Armed Forces consider the desirability of giving the railroad traffic now handled by trucks.

(c) The confiscatory rates, such as the \$1.50 per load car-miles for commissary, the switching rate of \$7.50 per car, and the rate of 75 cents per ton, pier No. 18 to Panama City freight station, be reviewed and corrected.

(d) That cost of bus operation by Armed Forces and the cost of handling 73,800 persons annually by the Canal Company with 3 sedans and 11 pickups be further studied; that accurate costs be assembled for return of this traffic to the rails.

(3) Miscellaneous recommendations

(a) That records of operating statistics be maintained of trucks and buses in transisthmian operation, showing tonnage handled per truck or trailer by numbers, number of light moves per trailer and/or tractor, original cost, depreciated value, mileage and hours operated, gasoline and oil consumed, cost of repairs, tire cost, labor in operation and repairs, cost of parts used, depreciation, interest on investment, cost and depreciation of repair facilities and garages. This to be kept on monthly and yearly basis, both by Canal Company and the Armed Forces.

(b) That the railroad division keep, in addition to their present statistics, the loaded cars per yard engine-hour, empty cars per yard engine-hour, the passenger cars per yard engine-hour, the number of cars handled between piers and various consignees within switching limits.

(c) That accurate records be kept of tonnage handled by trucks, divided between that dispatched from piers located on either the Atlantic or Pacific side to points contiguous to the terminals, as well as across the isthmus. This tonnage being further divided between that consigned to the Canal Company and the Canal Zone Government, Armed Forces, and the Republic of Panama. Similar information as to tonnage to be assembled for cargo handled on railroad cars.

(d) That the Panama Canal Company should give consideration to placing in the cost of both truck and bus transportation a portion of the cost of maintenance and depreciation of highways and streets in the Canal Zone, amounting to \$550,843 in fiscal year 1956, and of \$156,972 maintenance on Boyd-Roosevelt Highway. The railroad was charged in fiscal year 1956, \$233,706 for maintenance of its right-of-way. Both operations are owned by the same Government—United States of America.

EXHIBIT A

| | |
|--------------------------------------|-----|
| Car equipment: Roster—Active service | |
| Baggage cars..... | 7 |
| Passenger coaches: | |
| 1st class..... | 22 |
| 2d class..... | 13 |
| Total passenger equipment..... | 42 |
| Box cars: | |
| Wood, 40-ton..... | 150 |
| Steel, 50-ton..... | 60 |
| Gondola cars, steel, 50-ton..... | 15 |
| Steel dump cars, 19-yard..... | 50 |
| Caboose cars..... | 3 |
| Flat cars: | |
| 35-foot, 50-ton..... | 22 |
| 50-foot, 50-ton..... | 55 |
| Refrigerator cars..... | 18 |
| Stock cars, wood, 40-ton..... | 5 |
| Oil tank cars..... | 6 |
| Wrecker cars..... | 5 |
| Ballast cars, steel..... | 6 |
| Total freight equipment..... | 395 |

In the cost of operation of the railroad, no allowance for cost of Canal Zone Government overhead was included. While the Comptroller General has stated that this should be included, it should be pointed out that the various figures involving exclusive use of trucks likewise omitted any such item. The addition of such a figure to both estimates would not change the relationship of the results nor affect the conclusion that the railroad offers the more economical method of transportation.

SUBCOMMITTEE ON PANAMA CANAL,
EDWARD A. GARMATZ, *Chairman*.
LEONOR K. SULLIVAN.
JAMES A. BYRNE.
T. JAMES TUMULTY.
JOHN J. ALLEN, JR.
FRANCIS E. DORN.
WILLIAM K. VAN PELT.
WILLIAM S. MAILLIARD.

COMMENCEMENT ADDRESS BY ROY NISHI TO HIGH SCHOOL CLASS, MITCHELL, OREG.

Mr. MORSE, Mr. President, the Northwest Ruralite is published in my State of Oregon principally for matters of interest to rural electric co-ops and users of public power in the Northwest. Its editor is Hank Alderman.

In a recent issue, the editorial column was devoted to a commencement address given a year ago to a graduating high school class in Mitchell, Oreg.

Mr. Alderman believed that that commencement address, delivered by Roy Nishi, was so appropriate for the Fourth of July that he saved it for reprinting this year in the Ruralite. I ask unanimous consent that Mr. Nishi's remarks and with the introduction to them by Mr. Alderman be printed in the RECORD, to be followed by a letter from a man who heard the Mitchell commencement ceremony, Mr. Ned Norton, of Mitchell.

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

ROY NISHI'S FATHER AND THE FOURTH OF JULY

(About this time a year ago, the eight graduating seniors at the Mitchell, Oregon, high school chose Mr. Roy Nishi, a field officer for the Bonneville Power administration, to be their commencement speaker. They knew Mr. Nishi through the Columbia Power co-op which supplies their school and town with electricity. Ruralite didn't get a copy of the speech until end of summer; and since we've hung onto it since then, thinking it would be

something to print around July 4. It's a pity that we've had to prune some to fit it into this space, but here is most of it.)

To be asked to share this moment of rejoicing and anticipation by your graduating class is an honor for which I will always be grateful and shall remember forever.

During the past eight years, I have visited the Monument, Kimberly, Spray, and Mitchell areas as an official representative of the Bonneville Power administration. Don't let anyone ever tell you about the hospitality of the deep South or of the big cities. I have been in the deep South, and I have lived in some of the larger cities. They can't begin to match your hospitality, nor can they compete with your ability to make strangers feel at home. Cherish this ability for it will stand you well in the future.

When I graduated from Washington State University in 1951, my goal in life was to be as successful as my father. He characterized everything in life that I thought was ideal—all except raising children—there were eleven children in our family.

Before the turn of the century, at the age of 16, my father migrated to this country from Japan. With only an eighth grade education, he landed in Seattle, Washington, facing a new world, a strange world, a world without a family, a world of strange languages. To meet this challenge, my father enrolled in the Seattle public school system to learn English. With the scant knowledge that he acquired, he went to work near Mukilteo, Washington, north of Seattle, as a cook for a railroad section gang. From Mukilteo, he moved to the Yakima valley where he farmed everywhere from Naches, near Yakima, to the lower valley near Mabton, Washington. He could not purchase any farmland because the Washington State laws prohibited aliens owning property. He accepted and conquered this challenge. My dad became a successful farmer and established a reputation as an expert in raising watermelons.

Not only was he able to harvest the lands, but he asked each of his sons and daughters to harvest the knowledge from the public school systems here in the United States. Years have gone by since he passed away, but I am glad today that he encouraged us to go to school. Today, all of his sons and daughters are reaping the benefits of his foresight. He realized that an education such as you have achieved through hard work prepares you for the tasks which lie ahead.

Sometimes I wonder if even I appreciate the challenges which my father faced. Was I, for instance, denied the right to be a citizen of this country? No, but his family was placed behind barbed-wire fences during World War II. Have any of my belongings been confiscated as property of the federal government? No, but his belongings were.

My father took all of these things in stride, and I cannot recall that he expressed any bitterness or recriminations. Yet he saw four of his sons march off to war during the forties. The war which saw him moved from his home in the Yakima valley to a relocation center, the war which classified his family as enemy aliens, the war which was to end all wars. Before he passed away, he saw a fifth son return from the Korean War. This to me represented courage, tolerance, faith, and loyalty to his adopted country.

But wait! You are not here to listen to tales about the past. You are here tonight to embark on a future; a future which no one seems to fully comprehend; a future that is moving so rapidly that we find it difficult to keep pace; a future which should be blessed with the past, but is still plagued by war.

Relating the story of my father's will and determination illustrates the same traits which I hope prevail in each of you. Each of you should have faith; faith in your fellow man, whether he be black, yellow, red, or white. Each of you should have the will and desire to succeed and overcome the obstacles

that you face. Each of you should strive to become an asset to your family, to your community and to your country. Each of you should still believe in the flag and not hesitate to wave it, even though this may not be considered "in" or "camp".

Each of you should do your utmost to preserve the freedoms which we enjoy as a God-given right. Let me dwell on this point a little. Freedom is not an unabridged license to do as one pleases. Recently, Attorney General Nicholas Katzenbach pointed out that freedom to protest "doesn't mean that any number of people can do it any time, any place they choose."

Freedom means many things to many people. Freedom is the right to criticize your government, but freedom does not give you license to betray your government. Freedom is the right to criticize your supervisors, but freedom is not a license to libel and defame your supervisors. Freedom is the right to move from place to place, but freedom is not a license to occupy the property of others. Freedom is the right to acquire what one wishes, but freedom is not a license to steal. Too often we who preach and wish for freedom forget that in no country and in no society can we live without laws, without policing, without moral restrictions, or without the firm belief in a Supreme Being.

In essence, then, freedom is a God-given right to be preserved by you through your actions. We ask you, the graduating class of 1966, to share this responsibility.

I believe that you students here have developed more human understanding than those students in the large cities. From my own personal experience I will always stack up the talents of a boy or girl who has grown up on the farm or in the rural areas against those who have grown up in the city. I have seen graduate engineers from the city who could hardly use a wrench. I have seen women in the city who believe the same as my four-year-old daughter—she thinks milk comes from a carton.

Perhaps I am prejudiced, but young people from the farms and rural areas learn the practical facts of life which can be of value in the future. If or when you leave Mitchell to go to the larger cities, be proud of your heritage, of your up-bringing, and of Mitchell, Oregon. Certainly, there will be things that your city cousins may know more about, but you'll know more about the important things of life. Don't be alarmed if some people consider you a simple country boy or girl. Prove to them through excellence in everything that you do that the nation can look to the rural areas for examples in leadership, integrity, and moral fibre.

The graduates of Mitchell High School should be proud. Be proud that you are citizens of the United States—proud that you can face the future knowing that our republican type of government has prevailed and can prevail under adverse conditions—proud that you grew up in the country close to the soil. We, who are witnesses to this great event tonight, share this pride. We are proud that graduates of your calibre will help shoulder our great responsibilities.

NORTON ON NISHI

After hearing Mr. Nishi's address, Ned Norton, of Mitchell, a retired rancher who writes correspondence for some eastern Oregon papers, sent the following note to Ben Spain, manager of Columbia Power co-op:

"DEAR BEN: I am sending you part of my column of graduation week. I had never seen or heard of Roy Nishi before and I probably will never see him again, but he made the best graduation speech here that I ever heard or expect to hear. I'll go even farther and say that it was the best damned speech I ever heard anywhere. Furthermore, everyone I talked to agreed with me, which is something unusual to say the least.

"The years of my life are lengthening behind me at an ever faster pace. I have learned at least a few truths, among them the utter uselessness of human hatred. By his own example and that of his family Nishi put that truth before those kids in a manner that I do not think they will ever forget. In any political, economic and social institution as vast as the United States it is not always possible to render strict and impartial justice to every individual and I think that most of us have known injustice to a greater or lesser degree at some time in our lives. It's inescapable. It is an unpleasant thing for us to remember that we perpetrated one of the greatest injustices of the ages in our treatment of hundreds of loyal Japanese-Americans during the second World War when we unthinkingly condemned a whole people for the offenses of a few of their leaders. Well, anyway as far as I am concerned, they're getting revenge with these Hondas that aggravate me day and night.

"Sincerely

"NED NORTON."

THE PENTAGON TAKES FIRST STEP TOWARD TIGHTENING ENFORCEMENT OF TRUTH IN NEGOTIATIONS ACT

Mr. PROXMIRE. Mr. President, the Economy in Government Subcommittee of the Joint Economic Committee, of which I am chairman, discovered during a 4-day inquiry last May into Federal procurement and inventory management procedures that the Pentagon's lax administration of the Truth in Negotiations Act was costing the taxpayers billions of dollars in overcharges on defense contracts.

I was, therefore, gratified to learn that new administrative regulations have recently been proposed by the Defense Department that, if adopted, will represent a significant step toward translating the directives of the Truth in Negotiations Act—Public Law 87-652—which was put on the books over 4 years ago—into effective administrative action.

Public Law 87-653, which requires that contracting officers obtain current, accurate and complete cost data from contractors, is the taxpayer's only defense against the establishment of unreasonably high cost levels in negotiated contracts. And it should be noted that such contracts, in contrast to those based on advertised competitive bidding, account for some 85 percent of the huge sums spent on defense procurement annually.

An estimate placing the loss to the taxpayers due to the loose enforcement of this law by the Pentagon in the billions of dollars is not unreasonable when in very minimal spot checking the General Accounting Office found overcharges totaling some \$130 million on defense contracts.

The proposed revisions in the Armed Services Procurement Regulation would clarify the requirement for submission of cost of pricing data by contractors. These new rules would make it clear that the law calls for actual submission or specific identification of the data in writing rather than simply making the books and records available for inspection. They would make the contractor justify his prices by going on record with supporting data. Pentagon procurement

officials would be under orders to demand such documents.

The regulations would include a requirement that the contracting officer request a postaward audit if, after the award, he obtains information which leads him to believe that the data furnished may not have been accurate.

In general, the regulations, if adopted and followed, would be an important first step in improving enforcement of the Truth in Negotiations Act and thereby lead to immeasurable savings to the taxpayer.

Mr. President, I ask unanimous consent that a letter from the Comptroller General of the United States, analyzing the proposed new regulations, and a letter from the Deputy Director of the Bureau of the Budget, summarizing the status of efforts to tighten enforcement of the Public Law 87-653 be printed in the RECORD.

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

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., July 17, 1967.

HON. WILLIAM PROXMIRE,
U.S. Senate.

DEAR SENATOR PROXMIRE: In response to your interest in the implementation of Public Law 87-653 by the Department of Defense, we are offering our views on proposed revisions to the Armed Services Procurement Regulation, dated May 16 and June 9, 1967. (Copies enclosed.)

In our opinion, important changes included in the proposed revision of May 16 are substantially in agreement with positions of the General Accounting Office previously taken and reported to the Department of Defense.

In a letter dated April 19, 1965, to the Secretary of Defense, we recommended that the regulation be amended to require the contract negotiator to document the file to indicate the extent to which reliance was placed on cost or pricing data submitted. This requirement was adopted in February 1966.

The letter of April 19, 1965, also recommended that the regulation be amended to include a requirement for price adjustment under Public Law 87-653 to give full effect to the amount of overstatements later found in data submitted, where the record of negotiations does not reflect any indication of nonreliance upon the certified data. This requirement is included in the proposed revision of May 16, 1967.

Our report to the Congress (B-39995, January 16, 1967) contained the following proposals for revisions to the Armed Services Procurement Regulation implementation of Public Law 87-653, which have been included by the Department of Defense in the proposed revision of May 16, 1967.

1. The requirement for submission of cost or pricing data has been clarified to include either actual submission or specific identification of data in writing to the contracting officer. Also, it is indicated that the mere making available of books, records, and other documents for verification purposes does not constitute submission of cost or pricing data.

2. The certificate of current cost or pricing data has been revised to recognize that it covers cost or pricing data specifically identified or actually submitted.

The proposed revision also includes a requirement that the contracting officer request a postaward audit if, after the award, he obtains information which leads him to believe that the data furnished may not have been accurate, complete, or current. This revision was recommended in our re-

port to the Congress (B-158193, February 23, 1966).

The Department of Defense has also included in the proposed revision other important guidance related to the implementation of Public Law 87-653. This includes clarification of such matters as (1) the time when cost or pricing data were reasonably available, so that determination can be made as to whether data submitted were current as certified, (2) the treatment of understated cost or pricing data in arriving at a price adjustment, and (3) the Government's rights to price adjustments under varying circumstances where subcontractors furnished defective cost or pricing data.

It should be recognized that copies of the proposed revisions to the Armed Services Procurement Regulation are distributed to various interested industry associations and Government agencies for comment and that they may be revised on the basis of discussions and comments received.

The formal comments of the General Accounting Office on the proposed revisions have not as yet been submitted to the Department of Defense.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., July 10, 1967.

HON. WILLIAM PROXMIRE,
Chairman, Joint Economic Committee,
U.S. Congress,
Washington, D.C.

DEAR MR. CHAIRMAN: This will refer to your letter of June 29, 1967, concerning the recent hearings before the Subcommittee on Economy in Government of the Joint Economic Committee, with particular reference to the Truth-in-Negotiation Act, P.L. 87-653.

We note that present plans call for the Subcommittee to review the foregoing subject, among others, during October of this year.

As stated in our letter of May 23, 1967, in response to a question raised at the hearings on May 16, 1967, we investigated the criticisms cited by the General Accounting Office in its report to the Congress regarding Department of Defense compliance with P.L. 87-653. We found at that time that the Department of Defense had initiated actions to improve its management in this area of contracting and that satisfactory progress was being made. This effort is continuing at the present time in close cooperation with staff of the General Accounting Office. It continues to be our belief that satisfactory progress is being made. In view of the current close working relationship of the two agencies and the effort that is being made toward corrective action, we believe it would be inappropriate and untimely for the Bureau to initiate an extensive independent review and, in effect, go over the same ground that DOD and GAO have been and are now covering.

More specifically, and as related in our previous letter, a special study group was established by DOD to review the complete GAO report and as a result revisions to the Armed Services Procurement Regulation were developed and transmitted to the GAO, as well as to industry, for review and comment. These revisions are under active review and discussion by the two agencies and it appears that regulations satisfactory to both agencies will be promulgated. These revisions to the regulations should minimize to some degree the problems cited by the GAO. On the other hand, the Department of Defense readily recognizes that the correction of other problems cited in the report depends to a large extent on internal administrative actions by the Department of Defense. These actions would be directed toward assurance that appropriate fiscal

documentation is being obtained in the first instance in compliance with P.L. 87-653, and secondly that the documentation becomes a part of the back-up record for the contract action. Our investigation discloses that DOD has a number of planned actions to improve this management aspect of its contracting. In addition, and as cited in our previous letter, some of the problems have to do with GAO and DOD differences in the interpretation of certain aspects of the statute which we believe can best be settled by discussion between the two agencies. Discussions on this particular phase of the problem are being held and we believe the prospects for agreement are good.

All in all, it appears to us that a conscientious and effective effort is being made to correct the cited difficulties. We are keeping informed of current developments and actions and will ascertain and evaluate the final results of the joint DOD-GAO effort. We are sure that DOD and GAO will be in a position to present to you the results of their efforts and we also will be prepared to relate to you our views on the overall results at such time as hearings are scheduled.

With respect to the request in the last paragraph of your letter, the Bureau of the Budget was not asked to report on H.R. 5532 or related bills which resulted in the enactment of P.L. 87-653.

Sincerely,

PHILLIP S. HUGHES,
Deputy Director.

CIVILIAN MARKSMANSHIP PROGRAM

Mr. KENNEDY of Massachusetts. Mr. President, as many Senators know, I have, over the past several weeks, carried on an extensive correspondence with Secretary McNamara regarding the civilian marksmanship program of the Defense Department and especially the National Rifle Match at Camp Perry, Ohio. In the Department's most recent letter, I was informed that they were reviewing the entire marksmanship program, and the matches in particular, to see whether the Federal expenditures in this area remain justifiable. While the Army concluded that it was too late to call off the Camp Perry matches this year, as has been done in other times of warfare and budgetary restraint, they promised to complete the restudy of the program in time to use the results in deciding whether to hold the national matches in 1968. They also agreed to cooperate in making Camp Perry available for training and recreation programs for urban use next summer, as I had suggested in support of a similar suggestion made by Representative VANIK.

Mr. President, I think the entire exchange of correspondence and especially Secretary McNamara's strong endorsement of amendment 90 to S. 1, the administration gun bill, may be of interest to all Members of Congress. I ask unanimous consent that it be printed in the RECORD.

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

JUNE 13, 1967.

HON. ROBERT S. MCNAMARA,
Secretary of Defense,
Pentagon, Washington, D.C.

DEAR MR. SECRETARY: The Washington Post performed a distinct public service this morning by drawing attention to the Defense Department's involvement with and support of the National Rifle Association. This is a

matter which has long concerned me and which I have discussed at length with officials of your Department. It is also a subject which the members of the Senate Juvenile Delinquency Subcommittee expect to look into next month when the Department and N.R.A. witnesses testify on the proposed State Firearms Control Assistance Act of 1967 and other weapons control proposals.

I have serious doubts about the justification for continuing the entire Civilian Marksmanship Program in this nuclear age, and especially about the privileged position given the N.R.A. under that program despite certain developments in the N.R.A.'s finances, purposes, and activities. These questions will certainly be reviewed at our hearings. But there is one facet of this problem which should be resolved immediately and to which I wish to draw your attention at this time, namely, the appropriateness of holding the National Rifle Matches this year in light of the pressure of the Vietnam conflict on the personnel and budget of the Defense Department, and in light of alternative possible uses for its facilities and equipment.

I understand that the National Matches, held annually at Camp Perry, Ohio, in conjunction with the N.R.A., cost the Defense Department \$2,717,300 in 1965. This was broken down as \$197,150 for the office of the Director of Civilian Marksmanship, \$1,816,250 for the Second Army, \$36,000 for the Army Materiel Command, \$272,800 for other Army sources, \$234,900 for the Navy, and \$160,200 for the Air Force. These expenditures were applied to the rental of Camp Perry; the provision of support personnel; supplies and equipment to house and feed the competitors and service personnel; travel expenses and subsistence for civilian competitors, service personnel, and officers and staff of competing teams and the N.R.A.; and ammunition and other firearms supplies. I would assume that this estimate is conservative since it does not include depreciation of non-expendable equipment used for the matches. The most recent figures I have seen indicate that about 3,000 members of the armed forces are assigned for support duty alone at the matches, but again the total would be significantly higher if military participants were included, perhaps as high as 5,000.

Camp Perry itself is a facility of great size and flexibility, capable of providing room and board for about 10,000 people for the matches. It is reserved during the months of August and September exclusively for the matches, and no other activities are programmed for that period.

It seems to me that it is impossible to justify the use of 5000 military men and \$3 million dollars and a large military facility for the purpose of a weapons competition during the present Vietnam conflict. In the month of August you have asked that 29,000 American men be drafted, and it seems patently unfair to ask these young men to interrupt their lives when 5000 men in uniform are assigned to what must be considered non-essential, if not unproductive, duties. Moreover, the President has asked that expenditures for all non-essential activities and programs be curtailed to alleviate the budgetary strain of the Vietnam conflict. Certainly the rifle matches are such an activity, and there is precedent in the suspension of the matches during World War I, the Depression, World War II, and part of the Korean War.

On the other hand, the nation does have a pressing need for the space and facilities at Camp Perry during the summer months. A great deal has been accomplished to provide training and employment programs for our urban youth, particularly through the Youth Opportunities Campaign under the leadership of the Vice-President. But these programs offer little in the way of recreation or self-improvement to those under the age

of 16, who form a substantial part of the urban youth population and who have been deeply involved in some of the urban disturbances over the recent years.

I know that Congressman Vanik of Cleveland has ascertained that there are over 12,000 children in this group in the Hough area of Cleveland alone. He has suggested that the local government, citizen groups, and others in Cleveland are prepared to provide financial and staff support for a program of recreation and training outside the city if a site can be obtained. I am sure there are other cities in the Midwest which could prepare similar programs.

It would appear to me that such programs would certainly constitute a much more sensible use of Camp Perry this summer than the holding of weapons competitions requiring great expenditures of military funds and manpower. I would, therefore, most urgently suggest and request that the matches be cancelled this year and that the camp be turned over to nearby cities for youth programs. I am confident that the N.R.A., with its traditional concern for our military efforts and its new concern for problems of urban tension, would gladly support such a change in plans, and might perhaps be able to assist in providing youth counselors and other aid from its membership.

I want to emphasize that I would certainly support the rescheduling or relocation of any activities carried on in connection with the national matches which are an integral part of conventional battle training for members of the armed forces on active duty. I understand, however, that any such purely military part of the program would require only a small fraction of the expense, manpower, and facilities used for the national matches, and could be held at a time other than the summer or at another training facility.

Of course fast action is necessary if the cities are to be able to prepare their programs, and I look forward to hearing from you promptly.

Sincerely,

EDWARD M. KENNEDY.

THE SECRETARY OF DEFENSE,
Washington, D.C., June 27, 1967.

HON. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR TED: I have considered with care the points you raise in your letter of June 13.

In my view, the central responsibility in this whole matter lies with Congress. What is fundamentally at issue here is the responsible use of firearms.

I frankly am shocked that Congress has been so remiss in enacting the necessary controls to assure that the sales and use of weapons are effectively kept out of the hands of those who use them to threaten the right of free dissent.

There have been a number of gun control proposals before Congress during the past three years, but wholly without final effect.

The matter dragged on through the 89th Congress, and never emerged from committee in either the House or the Senate.

The current Administration proposals, incorporated in H.R. 5384, and in Amendment 90 to S. 1, are sound, but languish on without decisive action.

Even in the case of the National Matches, and the N.R.A.'s involvement in them, Congress has circumscribed the issues by statute, in 10 U.S.C., paragraphs 4312 and 4313. If Congress is dissatisfied with these statutes, then it clearly has the responsibility to change them.

But in any event, while Congress deliberates we now face the prospect of another summer which may well witness more blood-letting in our streets with weapons—from whatever source—that have found their way into the hands of bigots and extremists.

The absence of sensible gun control legislation is not only unreasonable; it is an open and permanent invitation to violence and disorder.

I would hope that you would continue to use your influence in Congress to bring an end to this serious legislative deficiency.

Sincerely,

ROBERT S. McNAMARA.

JUNE 30, 1967.

HON. ROBERT S. McNAMARA,
Secretary of Defense,
Department of Defense,
Washington, D.C.

DEAR MR. SECRETARY: I was very pleased to receive your response to my letter of June 13. It is encouraging to have your enthusiastic support for S. 1—The State Firearms Control Assistance Act of 1967. I hope that when we hold hearings on this bill in the coming weeks, you will find it possible to attend and to express your support for this legislation in person.

I am also glad to have your acknowledgment of the need for a Congressional review of the Defense Department's Civilian Marksmanship Program. In the light of the vastly changed circumstances since this program was initiated, I believe that the 90th Congress should undertake a thorough reconsideration of the statutory provisions in this area.

Since it appears that you have not yet made a final decision as to whether the Camp Perry shooting matches should be suspended as they have been in prior times of warfare and budgetary restraint, and whether the leased premises at the Camp should be made available for summer recreation and training programs for urban youth from Midwest cities, I would like to point out three developments since my last letter which may bear on your decision.

First, on June 20th your Department announced the cancellation of Exercise Kitty Hawk, a large military combat training maneuver planned for August and involving military units which might well be called upon to utilize such training in the near future. The reason given by the Department spokesman for the cancellation was the need for curtailing the Department budget because of the rising cost of the War in Vietnam. I should think that it necessarily follows that the National Matches, involving nearly \$3 million and consuming the time and energies of three thousand uniformed personnel for support purposes alone, but producing only the most marginal and tenuous contribution to military preparedness, should also be cancelled this year.

Second, on June 21st your Department agreed to make available to the City of New York military facilities in that area for summer youth programs. This is certainly an exciting and promising break-through and should surely be extended as expeditiously as possible into a nation-wide effort this summer to provide the urban youth of America with an opportunity for self-expression and self-improvement away from the city streets. In particular, the children of Cleveland and other Midwestern cities should surely be given an opportunity to use Camp Perry during the periods it is leased to the Federal Government but is not being fully utilized for purely military purposes.

Third, also on June 21st, the New York City Police arrested 16 members of a terrorist group, known as the Revolutionary Action Movement (RAM), who had allegedly been plotting to assassinate national civil rights leaders. The group was charged with forming the Jamaica Rifle and Pistol Club as a cover and front for illegal possession of weapons. This Club apparently was affiliated with and received a certificate of endorsement from the National Rifle Association, and thus under present regula-

tions was entitled to participate in the civilian Marksmanship programs of the Department of Defense. As a result the Club was issued .22 caliber rifles and M-1 rifles, free of charge, by the Department of the Army, and was given access to National Guard Armories for the purpose of weapons practice. Its members were also given the opportunity, exclusively reserved to N.R.A. members, to purchase surplus military weapons at cost from the Department of the Army, and at least one of the arrested persons had availed himself of this opportunity. About a third of the weapons which were seized by the police when the arrests were made had originated in the Department of Defense Civilian Marksmanship Program.

While I am aware that the Director of Civilian Marksmanship and the N.R.A. have cooperated fully with Federal and local investigatory agencies during the past several months in an effort to assure both the safety of the alleged targets of the group and the arrest of the alleged conspirators, the fact is that for over a year this group had the approval and endorsement of the National Rifle Association and thus the right to participate fully in your Department's equipment, facilities, sales, and competitive programs. I am also fully aware that the vast majority of the N.R.A. and D.C.M. affiliated firearms groups are made up of highly reputable sportsmen, competitors, and hobbyists, and that the officials of the N.R.A. and of the Office of the Director of Civilian Marksmanship are dedicated and sincere individuals who do their assigned duties in the utmost good faith.

Nevertheless, the New York incident is not the first instance of use of the N.R.A.—D.C.M. program by extremist groups. In the past similar circumstances have developed involving the Minutemen and the Ku Klux Klan. The New York disclosure merely emphasizes the need for much more careful screening of participating groups so long as the program continues, and for an immediate re-screening of existing groups to get the very few questionable ones out of the program. It would seem that it would be impossible to complete such a re-screening before August, and, on the other hand, that if the officials of the N.R.A. and the D.C.M. were relieved of the necessity for preparing for the National Matches, they would be able to address themselves fully and deliberately to the re-screening task.

Once more let me express my sincere appreciation for your support for effective controls on the unfettered flow of firearms in the United States and my hope that you will seriously consider the suggestion that Congressman Vanik and I have made that Camp Perry be made available to city youths this summer.

With warmest regards,

Sincerely,

EDWARD M. KENNEDY.

SECRETARY OF THE ARMY,
Washington, July 10, 1967.

HON. EDWARD M. KENNEDY,
U.S. Senate, Washington, D.C.

DEAR SENATOR KENNEDY: In Secretary McNamara's absence, I am replying to your 30 June 1967 letter to him renewing your suggestion that the National Matches be cancelled.

After reviewing the status of preparation for the Matches and considering the large number of competitors who have already forwarded entries, I have determined that cancellation of the Matches, scheduled to begin on August 3rd, is simply not practical at this time.

As for the use of Camp Perry for a summer youth program instead of the National Matches, the State of Ohio owns the property. The Army uses it for the Matches in August each year on a leased basis. We would be pleased to work with the state to reschedule

or relocate the Matches in future years if a different August use of Camp Perry were desired by the state.

However, we are reviewing the scope of the support furnished to the National Matches, together with other aspects of the Civilian Marksmanship Program. This review will be completed in time to use its results in making decisions about the holding of National Matches in 1968.

Sincerely,

STANLEY R. RESOR,
Secretary of the Army.

JULY 15, 1967.

HON. ROBERT S. McNAMARA,
Secretary of Defense,
Department of Defense,
Washington, D.C.

DEAR MR. SECRETARY: In your absence, Secretary Resor was kind enough to respond to my letter of June 30th regarding the National Rifle Matches. He stated that he felt it was too late to cancel this year's matches, but that the Army would cooperate in making Camp Perry available for Urban Youth Programs next summer. He also stated that the Department will review the level of Department support for the matches, and will reconsider the entire civilian marksmanship program as well.

It is regrettable that Secretary Resor has concluded that it is too late this year to suspend the Matches. I have noted with interest the reports of your desire to "shrink" the "water" out of the Defense Department Budget, and certainly the Matches and the Marksmanship program should be prime candidates for shrinking during the current period of budgetary pressure.

On the other hand, I was extremely pleased to hear that you are undertaking a review of the entire Civilian Marksmanship Program and especially your Department's extensive support for the National Matches. It seems apparent to me that most of the recipients of the government's largesse are beyond the age where they will ever serve in the armed forces. Moreover the day has long since passed when an armed, unorganized, citizenry might have been an appropriate supplementary force for the defense of America's shores against foreign enemies, and thus to the extent that the Defense Department's marksmanship program stems from such a concept, it is clearly obsolete.

I also particularly welcome your willingness to join in making Camp Perry available next summer for recreational and training programs for urban youth. I hope that you can begin right now to plan for such programs not only at Camp Perry but also at other Defense installations throughout the country. This is an idea which needs planning and preparation, and I hope we can begin now to think about what we can arrange for next summer.

Again my thanks for your continuing concern and assistance.

Sincerely,

EDWARD M. KENNEDY.

Mr. KENNEDY of Massachusetts. This morning in the Juvenile Delinquency Subcommittee we heard the testimony of Under Secretary of the Army David McGiffert. His presentation was eloquent evidence of the responsible manner in which the Army has approached what is, at best, an anachronistic mandate from Congress. Unfortunately, the members of the National Rifle Association, who are the primary beneficiaries of the civilian marksmanship program, have found it necessary to make exaggerated and unsupported claims about the contribution of the program to military preparedness. Mr. McGiffert should be complimented for his frank admis-

sion that the program affects only a minuscule proportion of Army recruits and draftees, that the DCM assistance goes in large part to people who are too old ever to serve in the military, and that marksmanship training is but one of the many qualities necessary in a good fighting man. In addition, it is clear from the discussion we had this morning that rifle preparation can be obtained just as well from individual hunting, target firing and other shooting activities as it can from DCM Club membership. In fact it is plain that large numbers of recruits come to the Army with such non-DCM shooting backgrounds. There is no reason to believe that these boys, whose numbers are up to 20 times greater than the number of DCM boys, would not still enter the Army in substantial numbers even if there were no DCM program at all.

I am confident that the Army will do a careful, objective, and dispassionate cost-effectiveness analysis of this program. The information that is available at this point indicates to me that it will be hard to find any continuing justification for the many millions of dollars being poured into the civilian marksmanship program, but I shall certainly look forward to seeing the Army's conclusions in this regard.

SUCCESS IN THE CARIBBEAN

Mr. MONTOYA. Mr. President, I wish to express my satisfaction at the outcome of the recent plebiscite in Puerto Rico. Now the Commonwealth can turn all of its considerable energies away from debate on what their status shall be vis-a-vis the United States. It can apply these ever-growing energies to the task of making this island commonwealth the finest showpiece of democracy and free enterprise in the Caribbean.

I cannot praise too highly the people of Puerto Rico, who have done so much to help themselves. In a few short years they have almost completely remade the face of their Commonwealth.

Where there were slums, there are now modern housing units. Where there was the constant menace of disease, there are now healthy, active citizens. Where there was poverty, there is now a throbbing, active and growing economy. What a lesson to those who seek the answer to all problems through the gun and terrorist act. Enormous credit is due the people of Puerto Rico who have supplied brains, initiative, sweat, and muscle.

But no tribute to Puerto Rico can be given without mentioning one of Latin America's alltime true democrats and men of vision; Luis Muñoz-Marín.

Tirelessly, patiently, and brilliantly he has led the people of Puerto Rico to a greater group awareness and a sense of political maturity to go with their economic growth. The intelligence of their decision in the recent plebiscite is not only due to the care he has taken and efforts he has put in, but also to the brilliance of his arguments as he stumped the island on behalf of the commonwealth concept.

There are so many men today who take pleasure in destroying. They roam our world like birds of evil passage, leav-

ing terror, fear, turmoil, and death in their wake. How refreshing it is to see a builder of nations and a happy, prosperous and advancing people for a change.

Mr. President, it is my belief that as Puerto Rico has reaffirmed its faith in its commonwealth status, it will continue to move ahead toward its eventual goal of a totally new life for all its people.

In microcosm, Puerto Rico represents what all of Latin America can and should be. Muñoz-Marín has blazed a trail along with men like Romulo Betancourt and Eduardo Frei.

Democracy and popular representation can and do work when they are given the proper conditions.

CHILDREN BORN IN VIETNAM OF ASIAN MOTHERS AND AMERICAN FATHERS

Mr. MORSE. Mr. President, although it is not a memorial formally adopted by the Oregon State Legislature, I have received a memorial petition signed by a great many members of the Oregon State Legislature. I think it deserves the attention of the Congress because it deals with an aspect of the war in Vietnam that Congress and the American people have preferred to ignore ever since our involvement began.

It concerns the children born in Vietnam of Asian mothers and American fathers. The situation there is reminiscent of that which prevailed for many years in Korea, and still causes considerable anguish in that country. Harry Holt, of Creswell, Ore., undertook a magnificent program to bring these orphans of American fathers back to the United States for adoption. Mr. Holt's program was remarkably successful. Yet no similar program has been undertaken for the Vietnam war orphans.

In order that this subject may receive some thought on the part of the Congress and the American public, I ask unanimous consent that the memorial, which was introduced in the Oregon Legislature, be printed in the RECORD.

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

MEMORIAL TO CONGRESS

To the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, members of the Fifty-fourth Legislative Assembly of the State of Oregon, most respectfully represent as follows:

Whereas children of Asian mothers are being born in Southeast Asia, fathered by members of our American Armed Forces; and

Whereas in Asia countries a child belongs to the father, never the mother, and lacking a father, has no family, no one authorized to register his birth, and is, therefore, almost universally denied the rights of schooling and, later, of access to normal employment; and

Whereas such an Amerasian child is a stateless person, one without a country, and, hence, a special kind of orphan, condemned to anger and bitterness at his lot, and, usually to the company of those like him, who often form roving bands of juveniles; and

Whereas these children generally prove to be individuals of real ability and talent, with potential for normal and wholesome personality development, and the possibility of making real contributions to society; and

Whereas such organization as Fathers Anonymous, founded by Nobel prize-winner, author, and former Asia missionary, Pearl Buck, seek to contact the fathers of these children and discreetly arrange their voluntary support; and

Whereas the government is responsible for the presence of our young men in Southeast Asia and for their being uprooted from home, family, and other community restraints; now, therefore,

Be it resolved by the undersigned members of the Fifty-fourth Legislative Assembly of the State of Oregon:

(1) The Congress of the United States is memorialized to appropriate funds needed to aid in the care, support, and later adoption of Amerasian children within the United States.

(2) A copy of this memorial shall be transmitted to the presiding officer of the Senate and of the House of Representatives of the United States and to each member of the Oregon Congressional Delegation.

(Signed by 71 members of the Oregon State Legislature.)

CRAFT POLL OF AFL-CIO UNION MEMBERS ON PUBLIC ISSUES

Mr. YARBOROUGH. Mr. President, the AFL-CIO Committee on Political Education recently made an extensive survey of the attitude of trade union members on political and other issues. Alexander E. Barkan, director of COPE, has written a report on this survey for the forthcoming issue of the American Federationist, the official monthly magazine of the AFL-CIO.

In view of the interest that has been expressed in this survey, I ask unanimous consent that Mr. Barkan's report be printed in the RECORD.

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

CRAFT POLL OF AFL-CIO UNION MEMBERS ON PUBLIC ISSUES

(By Alexander E. Barkan, Director of the AFL-CIO, Committee on Political Education)

Union members today would vote overwhelmingly for President Johnson's reelection against any potential Republican candidate. They support the President's legislative achievements and endorse the legislative goals of the AFL-CIO and the President. Yet there is some uncertainty and unease among unionists, notably concerning jobs and economic security, some areas of civil rights and Viet Nam, though the vast majority of union members support the President's conduct of the war there.

These are among the major general findings of a survey taken among union members by professional pollster John Kraft. Those interviewed did not know the poll was just of union members or who sponsored the poll.

Behind these generalities are a host of specifics that point up the attitudes of union members toward their unions and their government in the mid 1960s.

The scientific accuracy of the poll is above question. It was conducted among a cross-section of 1,700 union members representing 12 separate international unions—industrial, craft and service. An accurate age, sex, regional and racial sampling was involved.

Though 1,700 may appear to be a small figure among an overall AFL-CIO membership of some 13.5 million, in the world of opinion polling it is actually a large sampling, far more generous than most. Major national polls—Harris, Gallup and others—normally rely on a sampling of only between 2,000 and 4,000 in forecasting the

outcome of presidential elections among a potential vote of more than 110 million.

The Kraft survey was commissioned by the AFL-CIO Committee on Political Education. Its findings reflect the feelings and opinions of members as of January 1967, when the poll was conducted.

From the survey, this general profile emerged of the trade union member today:

32 percent of union families are in the \$5,000 to \$7,500 a year income range (figures embrace total family income of the union member, thus including in many cases the working wife of a member and/or working offspring);

46 percent are in the \$7,500 to \$15,000 a year income range;

25 percent of union members are less than 30 years old;

nearly 50 percent are less than 40 years old;

nearly 50 percent of all members now live in suburbs;

nearly 75 percent of members under 40 live in suburbs;

about 20 percent of union members are women;

about 13 percent of union members are Negro, and 4 percent are Mexican, Oriental or other;

25 percent of present members have belonged to their union for 5 years or less;

54 percent have belonged to their union for 10 years or more;

58 percent identify themselves as Democrats, 16 percent as Republicans, 17 percent as independents and 9 percent are not sure.

When the union members were asked their choice for President, they declared themselves emphatically for the reelection of Lyndon Johnson against any GOP contender. For example, the President would defeat former Vice-President Richard Nixon 55-22, Michigan Governor George Romney 46-30, California Governor Ronald Reagan 60-16, and New York Governor Nelson Rockefeller 55-20 (see box).

It should be kept in mind the Kraft poll was conducted in January, when the President's popularity as reflected in national polls generally was lower than today. The Louis Harris poll in January showed only 43 percent who gave the President a good job rating. By June, it had soared to 58 percent. Any increase in his popularity among the public-at-large inevitably would be accompanied by a like, or greater, increase in his standing among union members. In the January findings of the Kraft poll, among only one group of unionists did the President trail any potential GOP opponent. Union members under 30 at that time favored Governor Romney over LBJ, 47-42.

When members were asked how they voted in the presidential election of 1964, they responded Johnson over former Senator Barry Goldwater by 60-12. Asked how they would vote today if the same two were paired, members declared 56-15 for Johnson, a remarkably slight slippage given the President's length of time in office and the momentous events of his tenure.

The President's popularity as a candidate is mirrored in the widespread acceptance of his legislative achievements and goals, most of which are supported by the AFL-CIO.

Members were queried on the major national issues of recent years as to their degree of support or opposition. From medicare to pollution control, they backed by huge margins the achievements and aims of the Administration and projected improvements in most progressive programs already on the books (see box).

For example, when asked if medicare coverage should be expanded, 74 percent responded "yes." Asked if they supported federal efforts toward water pollution control, 94 percent said "yes" and 91 percent were for air pollution control programs. On expanding the scope of workmen's compensa-

tion, 76 percent said "yes." Ninety-one percent backed truth-in-packaging legislation and a like percentage supported truth-in-lending.

There were lower, but still substantial, percentages of support for expanded federal aid to education, 67 percent, and a minimum wage increase, 71 percent.

Support for repeal of Taft-Hartley Section 14(b) was 2-1 among members, with 54 percent agreeing 14(b) should be repealed, 23 percent disagreeing and 23 percent not sure. Support for repeal was strongest where awareness of the "right to work" issue was highest. In states where an open shop law prevails, and in states where it has been a live issue, union members overwhelmingly reject it and want 14(b) repealed.

The strongest support for AFL-CIO positions on almost all major issues occurred among women members.

Interestingly, a mild division between younger and older members crops up in the degree of support evidenced for certain issues. More recent prominent issues—like air and water pollution control and consumer legislation—achieve a slightly higher degree of support among younger than among older members. Conversely, issues that dwelled in Congress for years—issues with roots in the 1930s, 40s and 50s—garner higher support among older than among younger members. Medicare for example, gets 75 percent support from members in their 40s and 78 percent from members 50 and over, while it gets 70 percent support from members under 30, many of whom apparently view it as a problem that won't crop up for them until far down the road.

Despite their clear approval of President Johnson's performance and program, union members—like other Americans—do not view contemporary America as Elysium. They've got problems and in their minds the problems are big ones.

Members polled were asked this question: "What are the big problems on your mind—the things that bother you and should be getting attention?" The issues clearly uppermost in their minds were those involving jobs and economic security, the war in Viet Nam and civil rights.

Fifty-three percent of all members listed economic problems ranging from the cost of living and taxes to the employment picture and wages. Forty-two percent listed the war in Viet Nam, with the largest percentage of these supporting the President's policies there. More than 33 percent listed civil rights as a major issue. While most members supported civil rights progress in voting and public accommodations, support for open housing was slightly below the 50 percent point.

Beyond these, concern about many other issues reflected the members' special individual problems. For example, one of the biggest problems for members in their 40s and early 50s turned out to be education. It is they, after all, who have children in the schools and nearing, or at, college age.

Members were asked what problems the President should wrestle with and which ones are in the province of congressmen and senators. The weight of responsibility for action on almost all major issues, in the eyes of members, falls on the shoulders of the President. The White House, in their view, is where the action is.

Finally, in terms of issues, Kraft found that suburban living naturally has directed members' attention to suburban problems, often in higher priority than national issues. Members in the suburbs share their neighbors' concern about local tax assessments, zoning, sewage and garbage disposal, street repairs, transportation and school bond issues. It is not that they change from liberal Jekylls to conservative Hydes the moment they cross their city line into the suburbs; it is that in many cases their

roster of interest in shuffled and becomes more locally-oriented.

In his polling, Kraft found most union members—64 percent of them—quickly referred to their membership when asked to list affiliations with various public, private, church or job-related organizations. All of those sampled answered affirmatively when asked directly if they are union members.

Yet though their status as members is clearly in the forefront of their consciousness, this is no guarantee of member participation. Nor does it assure that the member is always listening when the union speaks. These facts became apparent when Kraft asked a related question about attendance at meetings and attention paid to union publications.

The poll revealed that about 20 percent of members reported attending almost every local union meeting—a surprisingly high figure—and that an additional 14 percent attend "quite frequently." However, some 36 percent attend "rarely." Members under 30 years of age rate highest in regular attendance, while this age group also has the largest percentage attending meetings only rarely.

Some 63 percent of all members answered that they read their union publications "a lot." The highest readership was among members 50 years and older, 77 percent of whom answered they pay a lot of attention to their union publications. (Four percent reported they receive no union publication, which suggests a problem in union administration or the age-old problem of keeping mailing lists up-to-date.)

The entire area of communications emerged as one of the most interesting sections of the poll. For, though members by and large read their union journals, they appear to rely generally on television, daily papers and magazines—in that order—as their most trusted sources of information.

Forty-seven percent responded that TV is their most reliable source (small wonder—the poll found that 58 percent of members spend 10 or more hours per week in front of the tube); 31 percent look to the daily newspapers and about 9 percent to weekly news magazines. Radio ran a poor fourth; only 6 percent of members consider it the most reliable information source.

Despite the overwhelming competition of the mass media, however, it was clear that a fair portion of members still look to union sources as helpful, reliable providers of information. From a list of sources of information, only President Johnson, a leading nightly network TV newscaster and a major weekly news magazine came before AFL-CIO President George Meany as the "most helpful source for information." Considered in context, this is an excellent showing. The regularity of national exposure for the President, a nightly network broadcaster and a news magazine obviously far exceeds the exposure President Meany achieves on a national platform. Of those who named President Meany, 78 percent did so because he "represents my interests, levels with me, tries to solve problems." This was a far higher percentage of identity of interest between the persons polled and the information source selected than any other listed source achieved.

The Kraft poll on the whole is encouraging. It indicates that the policy positions adopted by the AFL-CIO convention accurately reflect the feelings of union membership, with the single exception of open occupancy housing. This has 43 percent overall support and 48 percent support among members under 30.

Yet there are warning signals. Where support appears least strong generally is among younger members and more and more the trade union movement is becoming a younger movement.

While two-thirds of members over 30, for example, said they pay a lot of attention to

their union publications, only half of those under 30 do.

Though members under 30 were more emphatic in believing their union should take a stand on important issues, they responded generally in lower percentages in supporting their union's positions.

Though a higher percentage of young members reported they attend union meetings "nearly always," a higher percentage of them also answered they "never" attend.

On some basic union positions in support of old-line, though still crucial, matters it is the younger members whose support is softest. (This problem, it should be pointed out, is not unique to the labor movement. Throughout all groups in society today, it is the younger members who are most restive.)

It is the younger members who are both less informed and less concerned with these issues. The tribulations of 30 years ago are remote from a young member's experience. The Depression is a moment of history and the issues it spawned are tangential to his own life or unrelated to his problems. To younger members, Franklin D. Roosevelt, who was a live inspiration to many of us, is but a name in the history books and his great achievements a matter for the archives.

The 1960s and their unique problems are what is right now to the younger member and the problems of yesteryear seem to bear little if any relationship to the problems he sees today and tomorrow.

As with the younger member, so with the suburban member. There is no minimizing the impact of local issues on the life of a suburbanite. In his mind, the issues are deeply important and, in fact, they are. They involve his welfare as intimately as most of the larger national issues. They involve his home, his money, his child's education, his security, his recreation. In effect, we compete with these problems when we attempt to capture the member's attention and these are problems which from a national level are hard to articulate and even harder to engage.

It indicates that for many members we have not yet succeeded in showing that national issues have as great an impact on their daily lives and welfare as local ones.

In all, the problems faced are far easier to define than to deal with and the Kraft poll projects more questions than answers.

For example, in terms of labor's political efforts, is there a way to channel the suburban member's natural interest in local affairs and candidates to constructive action in the COPE program, which is geared primarily to national issues and candidates? Can COPE organize in the suburbs first around local issues? Can it then branch out to involve suburban members in national issues and behind COPE-endorsed national candidates? We now have pilot projects seeking ways to reach and involve members in the suburbs.

Most importantly, can the labor movement in its political and all other aspects keep the commitment and loyalty of its younger members, who make up an ever larger part of the movement? There is evidence that most of them enter with commitment. Some international unions are making efforts now through new-member programs to fan the commitment and keep it burning. A COPE program with building trades apprentices is attempting to interest them in labor's political activities and to involve them in the political life of their communities. Is there more we can do?

These and other questions suggest themselves as a result of the Kraft poll's findings. The final question is: Can we find the answers?

Speaking for COPE, I say we must and we will.

HOW MEMBERS VIEW THE ISSUES

Following is the degree of union member support, expressed in percentages, on some of the major issues of today:

| | [In percent] | | | |
|----------------------------------|--------------|-----------|----------|-------------|
| | Total | Age group | | |
| | | Under 30 | 30 to 49 | 50 and over |
| Expanding medicare: | | | | |
| Agree..... | 74 | 70 | 75 | 78 |
| Disagree..... | 13 | 15 | 14 | 9 |
| Not sure..... | 13 | 15 | 11 | 13 |
| Water pollution control: | | | | |
| Agree..... | 94 | 98 | 94 | 91 |
| Disagree..... | 2 | --- | 3 | 3 |
| Not sure..... | 4 | 2 | 3 | 6 |
| Truth in lending: | | | | |
| Agree..... | 91 | 93 | 91 | 88 |
| Disagree..... | 4 | 4 | 5 | 4 |
| Not sure..... | 5 | 3 | 4 | 8 |
| Repeat sec. 14(b): | | | | |
| Agree..... | 54 | 55 | 55 | 53 |
| Disagree..... | 23 | 25 | 24 | 20 |
| Not sure..... | 23 | 20 | 21 | 27 |
| Air pollution control: | | | | |
| Agree..... | 91 | 95 | 89 | 89 |
| Disagree..... | 4 | 3 | 6 | 4 |
| Not sure..... | 5 | 2 | 5 | 7 |
| Improved workman's compensation: | | | | |
| Agree..... | 76 | 77 | 78 | 73 |
| Disagree..... | 11 | 15 | 10 | 8 |
| Not sure..... | 13 | 8 | 12 | 19 |
| Truth in packaging: | | | | |
| Agree..... | 91 | 92 | 93 | 89 |
| Disagree..... | 3 | 2 | 3 | 3 |
| Not sure..... | 6 | 6 | 4 | 8 |
| Higher minimum wage: | | | | |
| Agree..... | 71 | 72 | 73 | 67 |
| Disagree..... | 21 | 23 | 20 | 20 |
| Not sure..... | 8 | 5 | 7 | 13 |
| Federal aid to education: | | | | |
| Agree..... | 67 | 71 | 70 | 61 |
| Disagree..... | 20 | 19 | 21 | 21 |
| Not sure..... | 13 | 10 | 9 | 18 |
| Open housing: | | | | |
| Agree..... | 43 | 48 | 41 | 39 |
| Disagree..... | 46 | 48 | 48 | 43 |
| Not sure..... | 11 | 4 | 11 | 18 |

WHAT MEMBERS SEE AS PROBLEMS

The Kraft poll asked union members this question: "What are the big problems on your mind—the things that bother you and should be getting attention?"

The three big issues on their minds and how they feel about them follow. The figure in parentheses represents the percentage of those polled who mentioned the issue. Percentages under it represent those who felt the listed aspect of the overall issue was most important.

| | [In percent] | | | |
|---|--------------|-----------|----------|-------------|
| | Total | Age group | | |
| | | Under 30 | 30 to 49 | 50 and over |
| Economic..... | (53) | (61) | (55) | (44) |
| High cost of living..... | | 20 | 13 | 8 |
| Taxes..... | | 13 | 28 | 21 |
| Unemployment..... | | 13 | 3 | 5 |
| Wages, salaries..... | | 10 | 5 | 4 |
| Working conditions..... | | 2 | 1 | 1 |
| Other..... | | 3 | 5 | 5 |
| Vietnam..... | (42) | (56) | (37) | (33) |
| President doing best he can..... | | 20 | 13 | 11 |
| Escalate war..... | | 13 | 9 | 5 |
| End war—make peace..... | | 8 | 6 | 8 |
| Escalate or get out..... | | 5 | 2 | 2 |
| National unity, patriotism..... | | 5 | 1 | 1 |
| Stop (lessen) foreign aid..... | | 3 | 5 | 5 |
| All other foreign affairs..... | | 2 | 1 | 1 |
| Civil rights and law enforcement..... | (33) | (49) | (20) | (30) |
| Open housing..... | | 10 | 3 | 3 |
| Juvenile delinquency..... | | 7 | 6 | 3 |
| Back civil rights progress..... | | 7 | 3 | 3 |
| More police protection..... | | 7 | 2 | 5 |
| Crime rate..... | | 7 | 1 | 7 |
| Highway safety..... | | 2 | 1 | 1 |
| Auto safety..... | | --- | 1 | 8 |
| All other civil rights and law enforcement..... | | 9 | 3 | --- |

HOW MEMBERS WOULD VOTE

The Kraft poll revealed that, as of January 1967, union members would have voted for President Johnson's reelection overwhelmingly against any of the prominently-mentioned potential Republican candidates. Since January represented a low ebb in the President's popularity with the public at large and since recent public opinion polls show a sharp upturn in his popularity, inevitably this would reflect an even higher standing for the President among union members than the following figures show:

| | [In percent] | | | |
|------------------|--------------|-----------|----------|-------------|
| | Total | Age group | | |
| | | Under 30 | 30 to 49 | 50 and over |
| Johnson..... | 55 | 55 | 53 | 55 |
| Nixon..... | 22 | 25 | 21 | 21 |
| Not sure..... | 15 | 12 | 18 | 14 |
| Neither..... | 8 | 8 | 8 | 10 |
| Johnson..... | 46 | 42 | 43 | 51 |
| Romney..... | 30 | 47 | 29 | 25 |
| Not sure..... | 19 | 10 | 25 | 17 |
| Neither..... | 5 | 1 | 3 | 7 |
| Johnson..... | 60 | 57 | 62 | 59 |
| Reagan..... | 16 | 23 | 16 | 13 |
| Not sure..... | 17 | 15 | 16 | 20 |
| Neither..... | 7 | 5 | 6 | 8 |
| Johnson..... | 55 | 58 | 55 | 55 |
| Rockefeller..... | 20 | 27 | 18 | 19 |
| Not sure..... | 18 | 8 | 21 | 17 |
| Neither..... | 7 | 7 | 6 | 9 |

HOW THE PRESS DISTORTED THE POLL

Before being released, the Kraft poll was the subject of a spate of newspaper stories—most of them completely distorted.

On the basis only of hearsay, The Wall Street Journal ran a lengthy article on the poll last month. One press service picked up, and provided wider distribution for, the Journal piece. In an article crowded with distortions and inaccuracies, some of the worst of them were these:

The Journal claimed the poll showed: "Labor's traditional legislative goals are far out of line with union members' main interests. . . . The AFL-CIO's No. 1 goal in this session of Congress—boosting social security payments—draws more boos than cheers. . . ."

The fact is: The poll reflected overwhelming support among union members for AFL-CIO legislative positions with the single exception of open occupancy housing. Further, a social security per se was not included as a question in the poll. Medicare was, and members' support for expanded medicare was 74 percent.

The Journal claimed: "A surprisingly high proportion of rank-and-filers won't readily admit they belong to a union." They "owned up to being union members only when pressed. . . ."

The fact is: Sixty-four percent of members quickly identified themselves as such when asked to name their associations from a list of various church, civic, social and job-related organizations. The rest, when asked if they were members of a union, answered affirmatively without hesitation. The loaded phrases in the Journal article, "won't readily admit" and "owned up," make it appear many members view their membership as something sinister and to be hidden at all costs. This was not the case.

The Journal claimed: "The poll's political findings were stunning. . . ." It quoted "one incredulous union man" as saying, "It showed almost anyone could beat Lyndon Johnson in 1968, even (Illinois Republican Senator) Charles Percy."

The fact is: President Johnson was an overwhelming favorite for reelection among union members when pitted in the poll against the most prominently mentioned potential Republican candidates, Michigan Governor George Romney, former Vice-Pres-

ident Richard Nixon, California Governor Ronald Reagan and New York Governor Nelson Rockefeller. Senator Percy's name did not even figure in the poll.

CONCLUSION OF MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

INTEREST EQUALIZATION TAX EXTENSION ACT OF 1967

Mr. BYRD of West Virginia. Mr. President, I move that the Senate proceed to the consideration of the unfinished business.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 6098) to provide an extension of the interest equalization tax and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to, and the Senate resumed the consideration of the bill.

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that, notwithstanding the provisions of rule VIII, I be permitted to speak out of order.

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

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

RIOTS IN THE CITIES

Mr. BYRD of West Virginia. Mr. President—

A thousand years scarce serve to form a state;

An hour may lay it in the dust.

(Byron—*Childre Harold*).

Mr. President, the city of Detroit has now been added to the scores of U.S. cities that have recently been plagued with destructive race riots. The Washington Evening Star of yesterday reported that Michigan Gov. George Romney and Mayor Jerome Cavanagh had "asked President Johnson for 5,000 Federal troops as Negro rioting raged into its second day and claimed its fourth life." The Washington Star also stated that the request was "the second for Federal help that Romney and Cavanagh had made in the wake of the worst racial rioting to hit

Detroit since 1943." The Star story stated that—

Romney withdrew the earlier request moments after making it believing that Federal troops might be needed in other areas of the country hit by racial strife over the week-end.

The Star indicated that 1,000 State and local police and 6,000 National Guardsmen were already on the scene.

Mr. President, I am fully in accord with the idea that Federal troops should be used if and when a situation involving insurrection has gotten entirely out of hand and if the troops are requested by appropriate authorities. However, I am against the use of Federal troops to preserve peace until such time as the situation has gone entirely beyond the power of a State to control it, and, from the facts as stated by the Star on yesterday, it is not entirely clear that the Governor had utilized all of the forces at his disposal before asking for U.S. troops. It seems to me that with 10,000 Army National Guardsmen in Michigan, in addition to the hundreds of city and State policemen, the rioters could have been subdued.

If I were the Governor of a State, I would feel it my duty to utilize, to the utmost, all of the forces at my command before calling upon, as a final resort, the Federal Government to intervene with military force. This is not to say that I am against the use of Federal troops, if necessary. I say that Federal troops should be used only as a last resort.

News reports having stated that 6,000 National Guardsmen were on the scene, it would appear that the full utilization of forces available at the State level had not been made, but the facts may have been otherwise. In any event, I hope that the President of the United States will insist upon the full application of maximum forces available at the local and State levels before allowing Federal troops to be sent into a State situation. In other words, I do not want to see Federal troops used upon the slightest of pretexts, and this is what could ultimately develop at some future time if we do not carefully guard against it, and the best insurance is for a Governor to utilize the police and military strength which are available to him at the local and State levels to the fullest extent before he acts to involve the President of the United States and the forces at his command.

I would be the first to criticize Federal authorities for sending Federal troops into a State except at the request of the appropriate State authorities; but, at the same time, I feel that State authorities have a responsibility of fully using the instrumentalities at their disposal before sending out an SOS involving the Commander in Chief.

Under the circumstances, the President did everything he could do. He had no other choice but to act as he did in sending Federal troops to Detroit, for "lawlessness, if not checked, is the precursor of anarchy."

MEET FORCE WITH GREATER FORCE

Mr. President, it is later than we think. Hoodlums, looters, snipers, and the criminal element involved in such riots should

no longer be handled with kid gloves. Any mayor who is confronted with a riot should order his police department to meet force with force, and when the situation has gotten out of hand to the extent that a Governor must send in his National Guardsmen, they should be given orders to put down such insurrections with all of the force available. Firemen should be equipped with arms with which to protect themselves if necessary, and orders should be issued to the police and National Guardsmen to shoot adult looters, snipers, and brick and bottle throwers.

It is absolutely unbelievable to read of looters driving pickup trucks loaded with everything from floor mops to new furniture with price tags still dangling from the merchandise. I recall one newspaper story concerning the recent New Jersey riots which stated that the "old folks were looting while the young folks were shooting." Regarding the Detroit riots, the story is the same as with other recent riots:

Looters filled cartons and shopping bags and backed their autos up to stores stuffing goods into the trunks and back seats.

In Detroit the police, at first, were ordered to withhold gunfire. Then according to the press story, Mayor Cavanagh asserted—

Their safety is at stake and if they must return fire, it must be.

Mr. President, as long as these mobs feel that they can loot and pillage and burn and destroy and maim without getting shot in return for their crimes, they will commit these acts increasingly. These insurrections should be put down with determined force, and the hoodlums and criminal element should be warned that police and National Guardsmen will not wait until fired upon before firing their own weapons. Adult looters, caught in the act, should be shot on the spot.

A policeman has always been under a duty to use whatever force is necessary to prevent a felony from being committed in his presence, and the looting of business places and the stealing of valuable property, depending on the amount, of course, constitute a felony. Were it only a situation in which one individual were attempting to rob a business establishment, then there would be every reason for the use of force only as a last resort. But where mobs are roaming the streets, breaking the windows of business establishments, dragging innocent people from automobiles, setting fires to buildings, and carrying away valuable merchandise to which they have no just claim, they should be made to understand that they do so at the peril of losing their own lives. Government has a right to survive. There is only one way to deal with rioters who are bent upon the wanton destruction of property and life and that is to deal with them swiftly and forcefully. So long as public officials, local, State or Federal, temporize or vacillate or show hesitancy in dealing with the rioters, the rioters will run amuck and endanger the lives and properties of law-abiding citizens. When, on the other hand, the rioters are made clearly to understand that the patience

of a nation is coming to an end and that those who are caught in the act of looting and destroying will be shot on the spot, they will stop this mad mockery of the law.

POVERTY, GHETTOS, SLUMS, AND DISCRIMINATION ARE THE USUAL EXCUSES FOR, BUT ARE NOT THE BASIC CAUSES OF, RIOTS AND VIOLENT CRIMES

Mr. President, the usual excuses are being made for violence in the streets. They are the same excuses that were trotted out in the wake of the Watts riot. We hear that slums constitute a basic cause. Yet, Plainfield, N.J., is not a slum, with its tree-lined streets and two-family apartments. Watts was not a slum.

No slum was ever deliberately planned to be a slum. No slum was ever deliberately built. Slums develop as a result of the carelessness of the inhabitants. Slums are developed by slummy people. The people may be taken out of the slums, but the slums cannot be taken out of some people. As long as people throw their trash into the hallways, and throw their beer cans and their whiskey bottles and their rotting garbage into the yards and onto the streets, there will continue to be slums. And wherever these same people go, the slums will follow after them. As long as they insist upon ripping up the steps and the bannisters, tearing off the wallpaper, punching holes in the walls, kicking the panels out of the doors, breaking the windows, and ripping loose the plumbing fixtures, there will be slums, and the landlord can scarcely be blamed for his reluctance to repair such destruction.

As to the ghetto, a ghetto need not be a slum. It depends upon the inhabitants thereof.

Many immigrants who have entered our country have been housed in ghettos, but, for the most part, they have taken a personal interest in their surroundings and have sought to keep the ghettos clean. They have not considered this to be an excuse or justification to riot, but rather they have sought to make their surroundings livable and they have sought to improve those surroundings.

There are those who blame the riots on poverty. Yet, poverty-stricken white Americans outnumber poverty-stricken Negroes, but white Americans have not resorted to violence in the streets. Moreover, there are millions of poor Negroes in America today who deplore the riots.

If poverty were an excuse for rioting, Abraham Lincoln would have been the Stokely Carmichael of his day and Booker T. Washington would have been the Floyd McKissick of his time.

I remember the depression of the early 1930's. Thousands of men and women and children in West Virginia were inadequately clothed, fed, and sheltered, but they did not attempt to take the law into their own hands. Negroes and whites saw hunger in the mining communities, but they did not find in this an excuse to burn and loot and destroy. The mining communities where I lived as a boy, and during my early adult years, were areas of grinding poverty.

I have seen men wearing hemp sacks around their feet in the wintertime be-

cause they lacked shoes. I have seen Christmases come and go without a stick of candy in many a home. I have seen children without shoes and tables without food. I have seen men without jobs, and I have seen rat-infested houses. As to plumbing fixtures, there were none. Air conditioning was unheard of. Few people could boast of owning a radio or a refrigerator, and fewer still possessed an automobile.

There were times when an owner of an old automobile could not afford the cost of a new license plate. Running water in the houses was but a dream. A washtub constituted the bathing facilities. Yet, these poor people, as a general rule, kept their floors scrubbed and their steps clean. Here and there they planted a flower or a piece of shrubbery. Their few bits of clothing were washed on a scrubboard in a No. 3 tub. They could not afford the luxury of a washing machine. Yet, these people, Negro and white, were law-abiding citizens and they taught their children to obey the law and to respect governmental authority.

Negroes and whites got along well together. I often visited in Negro churches and Negro homes when I was a young man. Whites and Negroes respected one another. They worked together, and they helped one another during difficult days.

As I indicated in a Senate speech recently, I formerly worked in a coal company store as a produce clerk and as a meat cutter. Many times I placed an empty flour barrel at the end of the meat counter and started off a "pounding" for a stricken Negro miner. Whites and Negroes lining up at the counter contributed lard and bacon, meal and flour, pinto beans and potatoes to the stricken family. People tried to help one another rather than to hurt one another. People sought to give, even when they had little to give, instead of taking that which was not rightfully theirs. And, believe it or not, people did not have to lock their doors at night and bar their windows. Nobody ever heard of homes being burglarized, of women being raped, of old men being knocked to the ground and robbed, and of pockets being picked in those communities.

So, Mr. President, I cannot have much sympathy with those who attempt to blame the riots upon poverty. Strangely enough, many of these so-called poverty-stricken rioters seem to be mainly interested in looting the liquor stores. According to the news reports, these are the establishments that are first looted.

Some would have us believe that these rioters want jobs. I happen to believe that most of them would not hit a lick at a snake. They are allergic to work, and as the old saying goes, a drop of their sweat would cure the leprosy.

One has only to look at the job opportunities in the Washington Metropolitan area, or in any other city, to see that many jobs go begging for want of people to fill them. The Eastern Panhandle of West Virginia is a great apple-growing area, and it is but a few miles from the Nation's Capital. Yet, fruit pickers have to be imported every year to help harvest West Virginia apples. There are reported to be between 7,000 and 8,000 individuals

here in the city of Washington who supposedly constitute the hard core unemployed, and yet, heretofore, it has been impossible to recruit people from this area who are willing to travel to the apple orchards, just a few miles away, to help harvest the fruit.

Look at the classified section in the Washington newspapers on any day of the week, and one will find advertisement after advertisement calling for domestic help. Most of these domestics can get \$12 for 8 hours' work and their transportation paid and lunch provided, but all too many of the employable women do not want to work, and so the jobs are not filled. Many of these people would rather draw welfare checks than to go to work.

All that one has to do is to travel about six blocks from the Capitol building, wherein I am now speaking, in any one of three directions, and look at the young, defiant hoodlums who are congregated on the street corners and listen to their vulgar language, and one will readily understand the reluctance of employers to give them jobs. The element about which I speak would constitute a danger to the employer, in the first place, and, in the second place, they are absolutely untrustworthy.

When a man heaves a brick through a store window and makes off with a television set or other loot, he thereby brands himself as an irresponsible individual who is not worthy of employment and one whom no sensible employer would want to hire.

Discrimination, some say, is the cause of the riots. I referred earlier to millions of foreign immigrants who have come to this country, immigrants who could not even speak the English language and who were thus placed at great disadvantage as against people born here. They were Germans, they were Poles, they were Hungarians, they were Italians, Jews, Lebanese, Greeks, and other nationalities. They were discriminated against. Even the Irish were discriminated against in earlier years. But these people did not riot. They went to work and lifted themselves up by their own bootstraps, so to speak. If they could not find work, they peddled papers or fruits and vegetables, or opened their own shops. Many of them walked the country roads in my State or the streets of big cities and peddled laces, liniments, and other wares, until they could get enough money to establish a shop. They contributed to the communities in which they lived, and they proved themselves to be responsible citizens and thereby earned the respect of other people. They did not resort to violence in the streets, to rioting and looting and burning.

The same can be said of many of our Negro citizens. They, too, have shown themselves to be worthy of respect. They have worked hard and saved a little here and there and bought themselves a home. They, too, have lifted themselves up through their own initiative. Many of these responsible Negro citizens have been the first to suffer in Detroit and other cities at the hands of rioters. Many of their homes have been burned by the raging fires.

So, Mr. President, many people, Negroes and whites, have been subjected to discrimination through the years, but they have not joined the mobs in the streets. No, discrimination is not an excuse. Moreover, there are more laws on the statute books today against discrimination than ever before in the history of our country, while at the same time there is more unrest, more crime, and more violence in the streets. The Federal Government is doing more today than it has ever done before to wipe out discrimination.

In recent years, Federal policies, and congressional statutes, have, in actual practice, often favored Negro jobseekers and Negro jobholders. Federal agencies go out of their way to employ Negroes.

Look at the Post Office Department, and you will see that Negroes have been employed in increasing numbers. Civil service standards have, in some instances, been lowered in order to accommodate Negro applicants. But even in the face of these things riots are increasing and have become the order of the day.

The charge is often made that police brutality is at the root of the growing unrest in our cities. One is at a loss, however, to understand how this can be the case, when the vastly overwhelming majority of such charges have been proved untrue and utterly unfounded. Our Nation has come to a sad state of affairs when a police officer cannot make an arrest in the proper performance of his duty, and in properly enforcing the laws of the community, without being immediately surrounded by a jeering, threatening mob shouting "Police brutality." It has become virtually a pattern throughout the country, and the fuse to many of the recent riots has been ignited by an arrest properly executed. What is going to happen to law and order if the community is unable, through its properly constituted authorities, to enforce the law? Anarchy will result. Mob rule will prevail. Every man will be a law unto himself. And every man will arm for his own protection and for the protection of his own family.

Society based on the rule that each one is a law unto himself would soon be confronted with disorder and anarchy. (Justice Harlan, U.S.S.C.)

No, Mr. President, police brutality is not the cause of the unrest sweeping over the Nation. I do not condone police brutality, and I do not believe that much of it can be found to exist. It is reasonable, however, to believe that the citizen who obeys the laws and who conducts himself properly will need have no fear of police brutality. All too often, the individual who charges police brutality has been guilty, first, of breaking the law, and then of resisting the officer who made the arrest. The policeman is more often abused and mistreated than is the person who cries "Police brutality."

Where would we be, Negro and white, without the policeman? Society would be at the mercy of the hoodlum, the arsonist, the murderer, the rapist.

Laws are made to be obeyed by all of the people all of the time. Respect for the law is the basis for orderly government, and law-abiding and peace-loving

citizens, regardless of race, need to rally around the police, who, too often, play a thankless role in riotous and difficult and dangerous situations.

Some people say the riots result from the slow pace of integration and poor educational facilities. But one does not have to have an integrated, interracial education to have a good education. If this were so, it would be impossible to get a good education in many European schools. If it were true, few Americans, relatively speaking, would have had a good education over the years.

Moreover, most people of my age in America can remember the one-room school, the two-room school, the school without running water and without plumbing fixtures, the school with a Burnside stove. I am not advocating that we go back to that, but more moneys are being spent today, and rightly so, to educate people in these troubled areas than were ever spent before. Whereas most of our parents had to furnish our books when we went to school, the State and Federal Governments today supply these and other necessities. Libraries, gymnasiums, air-conditioned school-rooms, modern teaching aids, free textbooks—all of these and more are provided at great cost—and I support them—to many in the areas which are being beset by riots.

Of course, not all of the schools in the crowded cities are the best—no one would maintain that to be the case—but they are rapidly being replaced with new and modern facilities, and even the oldest and worst of the city schools today are often better than many of those in which most Americans my age and older acquired their education. Yet, poor school facilities were never heretofore considered an excuse or justification for rioting.

After all, it is not the school so much, perhaps, as it is the student himself. We can only provide the opportunity for an education, but if the student shows no inclination to take advantage of the opportunity, he will not become educated. Education cannot be administered as a drug through a hypodermic needle. It cannot be absorbed by osmosis. It requires effort. And many people will never put forth the effort, regardless of how modern the school may be. Some people simply are allergic to study just as some people are allergic to work.

No, Mr. President, "There is no such thing as a vested right to do wrong." These words were spoken by a former Justice of the U.S. Supreme Court. In the context of the riots which are fast becoming commonplace in our American cities, the words are worth repeating.

In a degree, however, it is understandable that the rioters would harbor the idea that they have a vested right to do wrong because they have sometimes been encouraged to believe this. They have been so encouraged by those who say that poverty or discrimination or lack of jobs, et cetera, are the causes for riots. Public officials, if they are forced by recent events to deplore the riots, often do so in one sentence, but, almost invariably, they immediately embark upon a speech wherein they seek to excuse the violence and excuse those who perpetrate it by placing the blame upon a society which

has been unable fully to eradicate poverty, discrimination, and unemployment. Little wonder that the rioters are encouraged to do violence.

Mr. President, I do not maintain that poverty and slums and unemployment are to be ignored, or that we should close our eyes to these things. Indeed, we should take feasible action to effectively deal with them. I do say, however, that they are not a justification for insurrection and riot. They are not an excuse for violence. Most people have had to work for what they own. Most people are willing to work for what they receive. Most people have demonstrated the patience, the initiative, and the effort to get where they are, and the obstacles they have had to overcome have often been great.

The issue here is whether any minority group in the country should be able to bring such pressure to bear on Government by the threat of violence that it can exact funds from the Public Treasury.

If democracy means anything at all, it means that the taxpayers' money—that the people's property which has been taken for public purposes—shall be spent only in accordance with laws and policies determined by the people's representatives. And if democracy means anything at all, it means that such laws and policies are formulated and adopted only through a process whereby the people's representatives are persuaded to support them by rational arguments presented in democratic debate.

To shortcut the process of debate by threatening violence is to attack democracy itself. Whoever takes up and uses—however indirectly—the threat of violence, is guilty of something like blackmail. And it may behoove us all to remember Mr. Justice Frankfurter's admonition: "Respect for law cannot be turned off and on as though it were a hot-water faucet."

Increasing numbers of public leaders are attempting to persuade Congress to vote more funds for various urban and antipoverty programs by warning Members of Congress of the violent consequences that will occur should Congress not fund such programs. It might be said that this is a most effective argument. In fact, it is not an argument at all.

An effective argument is made by reason. Violence is not reason—it is the very opposite of reason. To use the probability of consequent violence as a means of argument is to corrupt the democratic process of persuasion through debate. I am appalled, Mr. President, that presumably responsible men of influence in our public life should fail to see the corruption they work when they use the implicit threat of violence as a means of persuasion.

To make such an argument is equivalent to saying: "Fund these programs in the amounts we ask for, or else."

When he was elected national director of the Congress of Racial Equality last July, Floyd McKissick stated:

You can interpret this any way you want, but all I am saying is that the black man's cup is running over in the ghetto and you can no longer expect him to remain non-violent.

I am not going to condemn him if he does

become violent, either, because I have been pleading and begging for positive action from the government. (Washington Star, July 3, 1966: A-3).

When he was asked recently by the U.S. News & World Report about the possibility of summer riots in 1967, McKissick replied in this manner:

Hardly any community in this country can call itself immune to trouble this coming summer.

Pointing to particular cities, McKissick said:

Cleveland stands out like a very sore thumb. Nearly every city in New Jersey is in trouble. I bet that New Jersey will never get through the summer without trouble.

He was right, Mr. President.

Continuing McKissick's reply:

Among other cities, I name New York, Detroit, Omaha, Kansas City, St. Louis, and especially East St. Louis, Chicago, Gary, Indiana, San Francisco and Oakland, Los Angeles, of course, and also Washington, D.C. (U.S. News, May 1, 1967: 42).

According to McKissick, he had begged and pleaded in vain "for positive action from the Government," and so he would not blame the Negro if he resorts to violence.

Last April, the Reverend Dr. Martin Luther King, Jr., said:

I'll still preach nonviolence with all my might, but I'm afraid it will fall on deaf ears.

And he continued:

I'm sorry to have to say this, but the intolerable conditions which brought about racial violence last summer still exist. (Washington Star, April 17, 1967: A-6).

These words do not seem to fit a winner of the Nobel Peace Prize. And they have the same persuasive character as a blackjack.

The same kind of "argument"—if we can call it such—was made by Ernest Cooper of the Urban League—a foremost civil rights organization—in Cleveland. Asked by an interviewer from the U.S. News whether violence might hit Cleveland this summer, Cooper stated that the prospect looks "very dismal unless a number of things happen soon to indicate that Cleveland is going to be responsive to the needs of its people." U.S. News, May 1, 1967, page 44.

William G. Robinson, director of public welfare in Cook County, Ill., when asked about the situation in Chicago by the U.S. News, asserted that, unless the State legislature passes an open-housing bill, "we will be in for trouble." Same issue, page 45.

It is even more subversive of the democratic process when the "put-up-or-else" argument is offered to Congress. The Subcommittee on Executive Reorganization of the Senate Government Operations Committee was confronted by this kind of shotgun persuasion several times in the course of its hearings last year on the Federal role in urban affairs.

Bayard Rustin, who organized the 1963 March on Washington and who is presently executive director of the A. Phillip Randolph Institute, testified last year, I am informed, before the Subcommittee on Executive Reorganization. He

cited two instances—the riot in Chicago and the riot in Watts—in which young Negroes stated that they got what they wanted from the city government only after they resorted to violence and not before. The moral that he drew from this for the members of the subcommittee was clear. Mr. Rustin said:

If these two instances are not clear illustrations of the extent to which the conduct of the society creates and nourishes the despair and violence among Negro youth, then I do not know of any.

I maintain, therefore, that unless a forthright master plan is executed, one that sees the problem of housing, schools, jobs, and the psychology of the ghetto, as a single problem, then this society will have to acknowledge that it is indirectly saying to the young dispossessed in this Nation that if they want something, the only way they can get it is not to depend on leaders who are temperate, leaders who advocate nonviolence, but that they themselves must take the law into their own hands.

This is a tragedy, and I ask you to see it as a tragedy which is being assisted and deepened by the inability of this society to produce or facilitate victories for the dispossessed so that they can maintain their faith in this Nation, in law and order, and in the cement of society, which is nonviolent action. (Hearings: 1855).

And so the Government, says Rustin, must come up with a master plan to meet the problems of housing, schools, jobs—and why must it do so? That is the point about his testimony. Why must the Government undertake this planning and expenditure? To forestall violence, and to keep Negro young people from taking the law into their own hands. This is the kind of argument which is tantamount to blackmail.

I am advised that A. Phillip Randolph, an outstanding Negro labor leader and president of the institute that bears his name, offered the same kind of argument to the subcommittee. He referred to "these teenagers who throw the Molotov cocktails, who set stores and houses afire, who turn over automobiles, who create disorder in the streets, and so forth." And he went on to say about them:

Well, now, I am definitely of the belief that these youngsters can be rescued, but they have not been touched as yet. You go through Harlem or Detroit or St. Louis or Chicago. You will find them standing on the street corners, standing on the stoops, some shooting crap, some engaged in this and that thing, but not any work is visible. They have nothing to do, and this is the tragedy, because idle hands and idle minds naturally flow into antisocial activities.

Mr. Randolph continued by saying:

We have got to reach the unreached. They are the young teenagers who represent the explosive force in every community, and with that chemistry of the loss of hope and the loss of jobs, or no possession of jobs, and with the belief that society is against them, that is the chemistry out of which you have social and racial explosions. (Ibid: 1994, 1995).

So Mr. Randolph offered Congress the alternatives of Federal funding of vast programs or "social and racial explosions" complete with Molotov cocktails, the burning of stores and houses, and the overturning of cars, and so on.

The same alternatives were presented to the subcommittee by Robert C. Weaver,

Secretary of the Department of Housing and Urban Development. Mr. Weaver cited the problems of American cities, and then said to the members:

Now that there is violence in the streets to bring these problems to our attention more forcefully than ever before, I simply want to identify . . . root causes of our difficulties. (Ibid.: 182).

We are evidently to assume, from what Mr. Weaver says—and, incidentally, others have implied or said the same thing—that violence in the streets is to be regarded as a means of bringing social problems to our attention more forcefully than ever before. Indeed, in concluding his testimony, Mr. Weaver said:

The most immediate domestic problem facing us is the unrest and violence in our cities. I need not labor the point before this Committee that these dangerous occurrences are but surface manifestations of deeper and more enduring ills. Nor is it necessary for me to urge upon you support for remedial action to deal with this unfinished business of democracy. (Ibid.: 214).

Presumably, it is not necessary for Mr. Weaver to urge remedial action upon us because the violence in our cities should be urging enough.

Even Mr. Nicholas Katzenbach, who was then Attorney General, offered the threat of urban violence as a prime argument for funding Federal programs of urban assistance. Testifying before the subcommittee, Mr. Katzenbach said that the Justice Department had investigated recent city riots and found that the riots—and I am quoting his words—"were indeed fomented by agitators—agitators named disease and despair, joblessness and hopelessness, rat-infested housing and long-impacted cynicism. These sources of agitation are not the product of Communists or Black Nationalists or terrorists. They are the product of generations of indifference by all the American people to the rot and rust and mold which we have allowed to eat into the core of our cities."—C. O. Almanac 1966: 232.

R. Sargent Shriver, Director of the OEO, imported the threat of violence into the argument for Federal aid to the cities. Shriver said to the subcommittee:

The urban ghettos of this Nation are crying out for help in a voice desperate to be heard and to be understood. In Watts a year ago, we had not heard. Or if we heard, we did not heed. When we finally listened, it was to the crack of exploding firebombs and sniper fire. (Ibid.: 233).

In a similar vein, A. V. Sorensen, mayor of Omaha, told the subcommittee that the riots in Omaha and in other cities were partly the result of maladministration of Federal programs or urban assistance. Mayor Sorensen said:

The Negro wants first class citizenship now and he is tired of headline promises from government. (Ibid.: 236).

I suppose the mayor intends that we draw from this statement the implication that either the Federal Government comes through on its promises or the Negro will take to the streets.

Jerome P. Cavanagh, who is mayor of Detroit, also raised the specter of the violent city mob in order to add urgency to his argument for a total approach by

Congress toward urban problems. In his criticism of the present administration of Federal aid which divides such aid among many agencies for different problems, Mayor Cavanagh cited a catalog of Federal programs issued by OEO which is over 400 pages long. Then the mayor added these words:

But the sad fact of the matter is that the so-called angry young man standing on a ghetto street today is seldom reached by the content of that catalog. And that young man today is the symbol of a national and very great national domestic crisis. (Hearings: 619.)

Let me say again, Mr. President, that the public leaders whom I have cited should understand that they have a responsibility to maintain the integrity of the democratic process of persuasion through reasoned debate. And this sense of responsibility should prevent them from replacing reasoned argument with the kind of blackjack "argument" of which I have given numerous examples.

And I earnestly hope that Members of Congress, when they are considering programs of aid to disadvantaged groups of citizens or to urban areas, will be fully aware of the difference between supporting such programs out of reasoned conviction of their usefulness in promoting the general welfare, and supporting them out of apprehension of the threatened violence that might occur in the absence of such programs.

I have worked for years to improve the lot of the poor and to better their conditions. I have supported most housing programs, most of the social welfare and economic programs designed to help people, and I want to see all of our people enjoy a better life if they will work for it and if they will shoulder the responsibilities that are a part of living in a free society. But I also believe that people have to do a few things for themselves. The Government cannot do everything for them. And pouring more and more money into more and more programs is not going to stop these people from rioting, because those who are doing the rioting are not the solid Negro citizens.

It is the criminal element—the hoodlums and the irresponsible hooligans who have an apparent obsession for trouble and mischief. They will only stop it when they are made to fully understand that the local, State, and Federal governments mean business, and that violence will not be tolerated any longer, and that force will be overcome with greater force.

SO-CALLED CIVIL DISOBEDIENCE AND DEMONSTRATIONS HAVE SET THE STAGE

Mr. President, there is no single cause for the riots. I believe, however, that the wave of civil disobedience and demonstrations which swept over this country during the last few years laid the foundations for today's violence. The wind was then sown and today we are reaping the whirlwind. Laws were broken, court orders were flaunted, towns were overrun, and police were made helpless. Lawlessness has begotten anarchy.

SOME STEPS WHICH SHOULD BE TAKEN

Likewise, there is no easy or simple or single solution to the street violence and the riots. They are obviously not all ignited by outside agitators, and they are not all Communist inspired, if, indeed,

any of them are so inspired. But of one thing we can be sure. They cannot be tolerated if our people are to remain a free people under a government of laws.

Peaceful assembly is protected by the Constitution and so is the right to petition the Government against grievances. But willful violation of the law—whether the law be municipal, State, or Federal—should not be tolerated. The civil rights of all Americans are guaranteed by the Constitution and the Bill of Rights, and the individual whose rights are denied should seek redress in the courts rather than in the streets. For, as a great Associate Justice of the Supreme Court, Louis Brandeis, once said:

All rights are derived from the purposes of the society in which they exist; above all rights rises duty to the community.

Every effort should be put forth to stamp out illiteracy, and the emphasis, for every individual, should be upon education. Education for the sake of education, rather than integration for integration's sake, is the important thing. Education will light the paths to mutual respect, cooperation, and better understanding. Education is the cornerstone for amicable race relations.

Booker T. Washington, one of the greatest of American Negroes, lived as a boy in Malden, W. Va., where he toiled in the salt works and in the mines. In later years, when he had become a great educator, he made a statement, the wisdom of which can benefit not only the Negro boy or girl, but also the white youth who is desirous of making a success in life:

When a Negro girl learns to cook, to wash dishes to sew, to write a book, or a Negro boy learns to groom horses, or to grow sweet-potatoes, or to produce butter, or to build a house, or to be able to practice medicine, as well or better than someone else, they will be rewarded regardless of race or color.

Moreover, every man should have the opportunity for employment on the basis of merit, and he should expect to be chosen only on the basis of merit, education, training, experience, industry, and character—not the color of his skin. Nor should the color of one's skin be a badge for preferential treatment in hiring and promotion any more than it should be a badge for discriminatory treatment.

Also, family planning is imperative, and civil rights organizations should make intensive efforts to promote such. The high birth rate among low-income Negro families simply cannot be overlooked. For, whatever importance may be assigned to unemployment as a factor in riots and other developments which have racial overtones, the fact is that, in this age of automation, cybernation, and advancing technology, the problem of unemployment will always be with us, and no amount of Government largess and costly poverty programs will constitute a panacea therefor as long as the birth rate is permitted to soar, unchecked and uncontrolled, among those families least prepared and least able to provide for large numbers of children who, in later years, will be unprepared candidates for jobs which no longer exist.

Additionally, the problem of illegiti-

macy must be dealt with. In New York City's Harlem, where Negro rioting has flared in the past, one out of every five Negro children is illegitimate. An indication of the concomitant social evils can be seen in the fact that there were 12 times as many cases of venereal disease per 100,000 people in Harlem as there were per 100,000 people in New York City as a whole.

Illegitimacy is, more and more, becoming a frightening factor in this whole equation. How the Nation can continue to close its eyes to this disturbing fact is beyond comprehension. Something will have to be done about it, or the burden of crime, riots, and the dole will ultimately become unbearable. Militant civil rights groups should stop blaming the white power structure for all of the ills that are visited upon the Negro community.

Negroes must themselves take the lead in doing something constructive for themselves; and they can do this by waging war upon the evils of illegitimacy as one important beginning.

The Negro's lot can be infinitely better in the future if something is done now to encourage and promote planned parenthood and parental responsibility. This is not to say that illegitimacy is nonexistent among white, but the statistics show clearly where the problem is greatest, and it should there be attacked most intensely.

Finally, Mr. President, no amount of Government paternalism can take the place of drive and ambition when it comes to developing the substantial and upright citizen. Hard work, perseverance, and self-accomplishment breed independence and strength, and courage and resourcefulness in the man or woman. Somehow the glory of honest toil is going to have to be restored if this Nation is going to survive all of the domestic dangers that confront it. There is no question but that the Central Government has a responsibility to assist, a responsibility to provide certain services, but if that Government is to endure, the people must not be encouraged more and more to depend upon the Government for the supplying of every want and every need. A nation on the dole can never hope to maintain the moral fiber, the spiritual strength, and the rugged resourcefulness to keep her people free.

Easy money, easy living, laziness, shiftlessness—all these go hand in hand with irresponsibility, a disordered society, and ultimate decay.

Disobedience to law and acts of violence by a few can hurt the just cause of the many. Not alone this. The perpetuation of ours as a government of laws depends upon the preservation of the constitutional process through which the rights of minorities can be safeguarded and only through which the freedoms of all our citizens will endure.

It may be a tedious process, a long and painstaking process, but, like the mills of the gods, it grinds exceedingly fine. And anything that is antithetic to that constitutional process, whether it be the street riot or the lynchman's noose, or whether it be the false doctrine of self-determination by one's conscience as to what laws should be obeyed or disobeyed

does violence to this Republic and to constitutional American liberty.

In the words of a former Supreme Court Justice:

The foundation of a republic is the virtue of its citizens. They are at once sovereigns and subjects. As the foundation is undermined, the structure is weakened. When it is destroyed, the fabric must fall. Such is the voice of universal history. (Swayne, U.S.S.C.)

Mr. BYRD of Virginia. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield to the able and distinguished senior Senator from Virginia.

Mr. BYRD of Virginia. Mr. President, I feel that the Senator from West Virginia has rendered a conspicuous service to his fellow Americans by his strong plea in the Senate today for law and order.

The Senator's speech is well reasoned, provocative, and restrained; yet he puts his finger on many basic facts that need to be brought before the American people.

With the rioting that is taking place all over the United States, it is vitally important that men in public life speak out frankly and strongly for law and order. That is what the Senator from West Virginia has been doing today.

It seems to me that what is necessary is that those in administrative positions and in high public office, charged with enforcement of our laws, enforce them without fear and without favoritism.

The speech of the Senator from West Virginia today is not the first that he has made on this subject. The current issue of U.S. News & World Report publishes excerpts from another speech made by the distinguished Senator from West Virginia, on July 17. In that speech, he ended with these words:

We cannot stand idly by and tolerate the shameful rape of democracy in our Republic. Those who choose to step outside the law must be punished. And those who insist upon force must be met with a greater force. Mobs must not be permitted to prevail.

That speech of the Senator from West Virginia was made prior to the rioting which recently occurred in New Jersey and prior to the rioting which has been taking place over the past weekend and is perhaps even now continuing in the city of Detroit.

Although the speech of the distinguished Senator from West Virginia on July 17 was made on the floor of the Senate, I think it is so provocative and so well reasoned that I ask unanimous consent that the article entitled "Poverty; Phony Excuse for Riots? 'Yes,' Says a Key Senator," published in the U.S. News & World Report of July 31, 1967, be printed at this point in the RECORD.

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

POVERTY: PHONY EXCUSE FOR RIOTS? "YES," SAYS A KEY SENATOR

Just being poor or being part of a minority group is no excuse for rioting, says Senator Robert Byrd. His philosophy: People should take pride in themselves and their surroundings, be considerate, work together and be orderly.

If they do this, he believes, the laws will

protect them. But if they do not obey the laws and resort to force, they must be met with greater force, he declares.

The West Virginia Democrat—who lived amid poverty as a youth and is now chairman of the Senate subcommittee which appropriates millions of dollars in funds for the District of Columbia—made his remarks in a Senate speech on July 17. Here are excerpts from the speech:

"We hear the usual excuses for the riots. They are the same excuses that were trotted out in the wake of the Watts riot. The ghettos are blamed; yet, people of all races have lived in ghettos in the past, but they have not rioted.

"Poverty is blamed for the riots; yet poverty-stricken whites outnumber poverty-stricken Negroes in America, but they are not rioting. Moreover, there are millions of poor but upstanding Negro citizens who deplore violence and disorder and who do not subscribe to riots.

"If living in poverty reposes in one a duty or a right to riot, then Abraham Lincoln would have been the Stokely Carmichael of his day.

HOW SOME MINORITIES REACT

"Discrimination, we hear, is back of the riots; yet millions of lowly immigrants have come to this country, immigrants who could not even speak the English language and who were thus placed at an additional great disadvantage. The Lebanese, the Germans, the Italians, the Poles, the Greeks, the Jews, and others—they too were discriminated against, but they did not react with violence in the streets.

"They also lived in ghettos, but they kept their ghettos clean. Their ghettos did not become slums.

"The immigrants reacted to the discrimination against them in a totally different way. When they could not find work, they created it by setting up their own little shops. Their ghettos did not become slums. They became homes where they gave thanks for what they had earned. These immigrants did not believe that they had a right to demand hand-outs . . . to plunder or to burn or to destroy or to kill.

"Eradicate the slums, we are told, and this will prevent riots. Yet, Watts was not a slum. Slums are not built. They develop as a result of the careless living of people—people who throw their trash in the hallways and on the stairways, into the yards and onto the streets. If people are irresponsible and dirty in their way of living, and have no desire to put forth the effort to improve their surroundings, then we will have slums with slovenly people residing in them.

"For years I lived in the coal-mining communities of West Virginia. I recall the depression of the 1930s. Poverty was everywhere. It was everyone's companion. Yet, West Virginians, whether white or Negro, did not riot. They were law-abiding citizens, as they are today. One may explain, "But there were no large urban ghettos." True. But there was poverty—grinding poverty. That was before the days of collective bargaining, Social Security and welfare checks, or even unemployment compensation.

"Yet those people did not burn and plunder and loot and engage in mass anarchy. They believed in an orderly society. And even though they were poor, most of them, Negro and white, were not willing to leave their floors unscrubbed or a step unrepaired. Of course, there were no plumbing fixtures to worry about. Many of those poor people . . . took pride in their surroundings. Their floors were clean, their yards were clean. Here and there they planted a flower or a piece of shrubbery.

"And best of all, white and Negro, they got along well together. If a Negro became unable to work, whites and Negroes would try to help. If a white miner became ill or was injured in the mines, Negroes and whites

would try to help. There were many times when I, as a meatcutter or produce clerk in the company store, placed a large flour barrel at the end of the meat counter and started a "pounding" for a sick Negro miner or a sick white miner. At the end of the day, the barrel would be filled with flour, meal, bacon, pinto beans and other provisions and ready to deliver to the stricken family.

"So, Mr. President, people may be poor and yet considerate of others. They may live in poverty and yet take pride in their humble surroundings. Poverty neither provides a license for laziness nor for lawlessness.

"We can take the people out of the slums, but we cannot take the slums out of the people. Wherever some people go, the rat-holes will follow. Wherever some people go, the slums will follow. All the housing, and all the welfare programs conceivable, will not stop the riots or do away with the slums. People first have to clean up inside themselves. They must stop tearing off the wallpaper, breaking the windows, ripping up the banisters and the stairs, and destroying the plumbing fixtures of rented properties before they can properly take care of their own. The rats will not be kept away as long as the garbage is tossed into the yard instead of into the garbage can.

JUDGED BY THEIR CONDUCT

"Moreover, men will not deserve or enjoy the respect and approbation of their fellows except by earning it. It cannot be acquired in any other way. They will be largely judged by their conduct. If they conduct themselves in an orderly way, they will not have to worry about police brutality. If they obey the laws, the laws will protect them. But a Government of laws cannot tolerate disrespect for, and violation of, its laws. To do so would herald the first evidence of society's decay. . . .

"We cannot stand idly by and tolerate the shameful rape of democracy in our republic. Those who choose to step outside the law must be punished. And those who insist upon force must be met with a greater force. Mobs must not be permitted to prevail. . . ."

Mr. BYRD of Virginia. Mr. President, I commend the distinguished Senator from West Virginia for the excellent address he has made this afternoon.

Mr. BYRD of West Virginia. Mr. President, I thank the distinguished Senator from Virginia for his kind and gracious contribution.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield.

Mr. LONG of Louisiana. Mr. President, as the Senator so well knows, it was the States of the Union which created the United States, rather than the other way around.

It was fundamental to government even before the creation of the United States of America that it was the duty of a government to maintain law and order and to provide for the protection of person and property within the area over which that government was responsible.

That principle predated the United States of America. And it is fundamental to government that citizens of any community have a responsibility to one another.

As the Senator has so well indicated, that is a part of citizenship—the duty of being a good neighbor and respecting the rights of others and helping to defend and protect them.

I was dismayed to see in this morning's newspaper a picture of a looter running

off with a valuable piece of property, obviously stolen from an innocent businessman's store, while a group of perhaps 30 or 40 adult citizens were simply standing by as observers.

I have noticed that some of those people who have been shot were shot by businessmen, presumably small merchants trying to protect their property, much of which is subject to mortgages and severe indebtedness.

The duty of good citizenship seems to escape a lot of people.

It would seem that one of the first things that should be impressed upon citizens—not only adults, but also people of all ages—is that they have a responsibility to help their neighbors defend their families and their property. That seems to be escaping some people in large cities. It is their responsibility and duty to help their neighbors in the same block or down the street.

Furthermore, the local law enforcement should be adequate to meet the local disturbances that arise. That does not mean that the police force should be large enough to do this on all occasions, but there certainly should be a police reserve that can be called up to assist in times of emergency.

I hope that in every community the civic clubs and businessmen and neighboring people will become so organized that they can assist local law enforcement officers in times of emergency. Veterans' organizations and other organizations can make a contribution. Civic clubs can make a contribution.

It would be well that, instead of the leaders of certain groups stressing the fact that the members of those groups have been deprived of their rights and are entitled to something additional, they should be stressing the fact that the responsibilities of citizenship go along with the privileges.

Mr. President, I ask unanimous consent that an article entitled "Insight and Outlook—Cops and Negroes," written by Joseph Kraft, and published in the Washington Post of today, be printed at this point in the RECORD.

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

INSIGHT AND OUTLOOK: COPS AND NEGROES
(By Joseph Kraft)

Cops and Negroes is the name of the game. Detroit, Newark, Watts and dozens of lesser episodes show that the critical element in the Nation's race troubles is the vexed relationship between police authorities and ghetto dwellers. Something is seriously wrong, and major change is obviously required.

But not, at least not preeminently, in the direction of softening and diluting police effort as religiously prescribed by the liberal rhetoric. On the contrary the major emphasis has to be on improving police protection in the Negro slums.

To grasp the problem, it is first necessary to understand the high level of ghetto lawlessness. All studies indicate the unusual prevalence of all kinds of crime in the down-and-out Negro quarters of the big cities.

Far more than in white neighborhoods of comparable income level, murder, assault, robbery, drug peddling, prostitution and the numbers racket are part of the scene. As the most authoritative source on the subject, the

President's Crime Commission report, pointed out:

"A much greater proportion of Negroes than whites are the victims, as well as the perpetrators, of crime."

No doubt the reasons for ghetto crime are complex. Bad housing, poor job opportunities and inadequate schools are involved. So is the breakdown of the Negro family.

But another vital cause is the deficiency of police protection in the ghetto areas. While even the Crime Commission seems not to have studied the matter, the poor quality of law enforcement in the Negro slums is massively attested.

For one thing there is the testimony of whites living in integrated areas of Chicago and Denver which I have just visited. The whites in those parts of town indicate that the arrival of Negroes was first accompanied by a perceptible slacking off in the police performance, as if crime was expected where Negroes lived. In order to make integration work, in order to prevent the usual exodus to the suburbs, white leaders have had to make special efforts to sustain police performance at the level customary in middle class neighborhoods.

More important is the testimony of the ghetto dwellers. A study of Cleveland by the Federal Civil Rights Commission found that among Negroes "the most frequent complaint is that of permissive law enforcement and that policemen fail to provide adequate protection and services in areas occupied by Negroes." Evidence along the same lines is implicit in recent surveys made in Watts, Washington and Harlem. A Cincinnati survey of Negro boys found 83 per cent agreeing that "without police there would be crime everywhere."

Indifferent police performance in the ghetto finds its worst expression in the toleration of a small minority of undoubted hoodlums. This hoodlum element, by assaulting people, peddling narcotics, robbing and defacing buildings exerts a severe negative drag on all the various programs in education, housing and racial understanding designed to ameliorate ghetto conditions. It is the hoodlums, moreover, who come to the fore, in leading others to the burning and looting and shooting which has marked recent riots.

In addition, the inadequacy of the police effort in the Negro slums means that the law enforcement agencies are not really part of the scene, not in touch with the forces at work in the ghetto. When the police do come in, even on routine patrol, they tend to come in as ignorant outsiders. They are all the more prone to treat people they apprehend with undue severity—which only works to breed more tension between police and Negroes.

The right remedy for these tragedies is a—major effort to improve police performance in the ghettos—a program for police saturation of the Negro slums aimed at holding down crime. No doubt some items on the liberal agenda are relevant to this effort.

Minority groups must figure more importantly in manning and running police forces. Better community relations, that is to say ties, between the police and the ghettos, are required. So is training to equip policemen with the background necessary to treat with juvenile offenders. And some device whereby complaints against the police can be aired may be useful.

But that is not where the emphasis belongs. The emphasis belongs on policing the ghettos in order to contain and to eliminate the hoodlum elements.

For it is the hoodlum elements which are chiefly responsible for the riots. It is the hoodlums who undo the best-meant programs for improving the quality of Negro life. It is the hoodlums who, by forcing the white exodus, make the ghetto the ghetto.

Mr. BYRD of West Virginia. Mr. President, I thank the distinguished majority whip for his observations which, in my judgment, are very timely, pertinent, and appropriate.

INTEREST EQUALIZATION TAX EXTENSION ACT OF 1967

The Senate resumed the consideration of the bill (H.R. 6098) to provide an extension of the interest equalization tax, and for other purposes.

Mr. LONG of Louisiana. Mr. President, I hope that we can vote on the pending amendment sometime in the immediate future, and I hope that there will not be further requests to dispense with the germaneness rule after the quorum call which I am going to propose, knowing that the large absenteeism is due in considerable measure to the fact that there is a meeting of the Policy Committee on the other side of the aisle, a committee of which all members of the Republican Party are presumed to be members.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. JAVITS. Mr. President, I have very grave reservations about the measure before us. I must say that this is a consistent position for me. I have had these reservations before, and I shall certainly support the 1-year extension amendment which has been offered by the Senator from Delaware [Mr. WILLIAMS].

However, I also wish to deal with the substantive aspects of the bill before us, in a strictly public policy sense; and I point out that I speak from a double vantage point.

First, I represent the principal financial market of the country. I use those words advisedly, because it is not necessarily the principal source of money or the richest place in the country. It is the principal financial market of the country, which has a certain asset value to our Nation, as it results in the marking of the overwhelmingly large amount of domestic financing as well as foreign financing, such as it is, which is floated to investors in the United States.

Second, I have spent a great part of my life as a lawyer engaged in small and large financial transactions, and I know something, in a personal sense, about the banking business.

Upon both grounds, I have very grave concern about interest equalization tax and whether or not it is counterproductive.

I point out, first, that the basic justification for the bill is that it cuts private capital outflows which we are concerned about as being of a critical nature. Two aspects of that matter are very important. One is the capital outflow, which is represented by overseas private invest-

ment. This it does not cut at all, because that is the subject of a voluntary restraint program which affects both the banks and American investors abroad. But it does affect—at least, it seeks to affect—the amount of capital flotations in the country by foreigners by really putting a penalty upon them.

The main objection I have to the bill is that we have now had this tax on the books for 4 years, and we have little, if anything, to show for it, except the fact that the United States has been impaired as the major capital market of the world; and there is a great asset value in being the major capital market of the world. That asset value is not only in commissions and fees which are earned for being the originator of capital issues, but also, it is an insurance in many other types of services, from advertising and public relations to more technical and engineering services, all of which introduce very worthwhile income in the United States, important to our balance of payments; because in many cases it is money which is paid here by foreign concerns in their own currency, which is of critical importance to us.

I point out that our balance of payments, while we have had this interest equalization tax, has not necessarily been improved, but has gone the other way. I do not lay that at the door of the interest equalization tax, but I simply point out that it has not had any major or material effect upon the situation.

In 1966, we had a balance of payments against us in the area of \$1,357 million. In the first quarter of 1967, we are running at the rate of roughly \$2,176 million a year. So I do not see that we have had any real result in terms of the overall aspect of the matter, which interests us, with respect to imposing this tax.

Another important aspect is that it represents—the leaders of the free world in terms of capital and capital movement—a restriction on trade and capital movement. Therefore, it represents a great disadvantage to the system which we have sought to establish in the world since the end of World War II, on the theory that, as the most important production center and financial center in the world, it is much better for us to have a minimum of restrictions on trade and capital movement, rather than contribute to it ourselves, as we have in this interest equalization tax.

The third point is—and it has been developed during the course of the debate—that the tax is being avoided on a large scale, thereby nullifying its effects, through various contrivances, including the charade about the securities being bought and sold as between Americans, about which we have heard much in the course of the debate.

What is interesting in that regard is that it is freely anticipated and predicted that even if we pass the provisions which are contained in the bill to tighten up on the avoidance, there is bound to be found yet another way in which to avoid the tax, thereby contributing to nullify it to major part.

Next, it is clear that there is considerable opposition to the bill. The National

Association of Security Dealers is opposed; the Investment Bankers Association is opposed. It seems to me that these are the people who are most intimately affected, and therefore would have a very interesting viewpoint with respect to what is to be done about the bill.

I ask unanimous consent that the testimony given by Mr. Henri L. Froy, chairman of the Foreign Committee of the National Association of Securities Dealers, Inc., and Mr. Robert F. Seebeck testifying for the Foreign Investment Committee of the Investment Bankers Association of America.

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

STATEMENT OF HENRI L. FROY, CHAIRMAN OF THE FOREIGN COMMITTEE OF THE NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC., ON H.R. 6098 BEFORE THE SENATE FINANCE COMMITTEE, JULY 17, 1967

Mr. Chairman, I am Henri L. Froy, Chairman of the Foreign Committee of the National Association of Securities Dealers, Inc. and a General Partner in Abraham & Co., a member of the New York Stock Exchange and broker in domestic and foreign securities. I am accompanied today by Frank J. Wilson, Associate General Counsel of the Association.

I have testified before this Committee several times in the past on this Association's behalf and I feel certain the respective members of the Committee are aware of the background, nature, purpose and function of the Association. Suffice it to say, therefore, that the Association is nationwide in scope and is composed of approximately 3,659 member broker/dealers actively engaged in the investment banking and securities business and has registered with it approximately 90,575 securities salesmen. The Association is organized and registered with the Securities and Exchange Commission as a national securities association pursuant to the provisions of Section 15A of the Securities Exchange Act of 1934, and has the responsibility under that Act of enforcing upon its members just and equitable principles of trade for the protection of the public. It is the means by which the principle of self-regulation has been effectuated in the over-the-counter securities market. Virtually all foreign securities transactions are executed by its members.

In February, I testified before the Committee on Ways and Means of the House of Representatives and at that time noted that ever since an interest equalization tax was first proposed by the late President John F. Kennedy, the Association has expressed its opposition thereto. That opposition has been expressed to the respective Committees of the House and the Senate every time the matter has been before them and, while the members of the Association and the Foreign Committee are in complete agreement with the government's efforts to curb the continuing balance of payments deficit, we must again reiterate our opposition to the tax because we do not believe it is a proper way to attack the problem.

We have previously pointed to the problems inherent in the job of enforcing this so-called tax which, as this Committee knows, was proposed as a deterrent and not as a revenue producing agent. Recent articles in the press dramatized and, in my opinion, have given credence to that concern. Those articles reported that simple schemes, almost worldwide in scope have been invented to circumvent this levy. These schemes are apparently perpetrated by paying U.S. persons abroad, and at home, for their signature which is then affixed to a Certificate of American Ownership for delivery in the United States market. The securities are

thereafter sold at a premium, but below the total price had the tax been paid. In view of the provisions of the existing law, the broker-dealer who received the security with an American ownership certificate attached can rely upon the certificate as being conclusive proof of prior American ownership of the security unless he has actual knowledge to the contrary. The buyer does not, therefore, pay the tax and the purpose of its imposition is defeated by increasing rather than decreasing the outflow of funds.

The Association became gradually aware several months ago of possible wrongdoing of the type I have just described. It is not the type of thing which one immediately discovers, because of the nature of the evasion. The awareness of its existence arises over a period of time as a result of occurrences which one suspects while conducting his business. It becomes manifestly clear, though, when one learns that a small dealer or dealers, who had previously done little if any business in foreign securities, suddenly have unlimited amounts of a given foreign security or of several different foreign securities, American owned. The Association is not, of course, in a position to police a scheme as grandiose as this one appears to be and the action it can take is rather limited because of the nature of the law and the language of our rules. As a result of action of the Foreign Committee, however, this Association in March sent, over the signature of its president, Mr. Robert W. Haack, a notice to all of its 3,659 members warning them of the possible criminal consequences of such actions. This notice is attached hereto as Appendix A and I should be appreciative if it is made part of the record here. Also, information which had come to us during the course of our investigations was referred to the Internal Revenue Service pursuant to a previous informal agreement between the Service and the Association. I cannot say that all broker-dealers have lived up to their responsibility by not consummating transactions which had all sorts of "red flags" flying to warn them of possible wrongdoing, but I can assure you that the National Association of Securities Dealers has and will continue to live up to its responsibilities, and will take whatever action it can under the law and its rules.

The Association is on record as opposing the concept of an interest equalization tax. We also oppose the increase in the maximum tax to 22½% as provided for in H.R. 6098, now before this Committee, and the extension of the tax for two more years. We, therefore, urge the bill's rejection.

Recognizing the strong possibility of passage, however, the Association expressed its desire to the Treasury Department and the Internal Revenue Service to cooperate in every way possible with them in attempting to stop this evasion of tax and if possible to close the loopholes in the law which give rise to it. I reiterate that offer at this time and I also hope that if a situation arises whereby the expertise of the members of my committee (all of whom are experts in the field of foreign securities) can be utilized, they will be called upon for assistance. They are willing to give it. We did in fact participate in meeting last week, but regret that none of our advice was taken.

At this point, I think I should state that my committee had agreed, notwithstanding our strong opposition to the tax itself, to go on record that we will support any reasonable proposals outlined by the Under Secretary of the Treasury on Friday, July 14, 1967, in trying to plug these loopholes. I have, however, the gravest doubts that the additional bookkeeping, controls and reporting procedures would achieve the desired result. The whole tax concept looks to the world as a type of uncontrollable foreign exchange control.

Since studying the contents of Mr. Dem-

ing's statement, we feel, however, we would fall in our duties to the United States, to the American investor and to the members of this Association, if we did not take issue with the statement by the Under Secretary of the Treasury and I quote, "The United States trade position is improving . . ." but in view of the cost of the Vietnam war "we have no recourse but to continue to moderate the flow of our capital exports. The I.E.T. helps us to do this."

The Under Secretary tries to make a strong case for the need for the I.E.T. on account of discrepancies of interest rates. I will leave the answer to this statement to the chairman of the I.B.A. Foreign Committee. He is more qualified to answer this. It is not quite clear to us what the Under Secretary means in his statement that the effect of the I.E.T. on the outflow of U.S. capital in the form of bank loans is impressive. If all these favorable factors apply, what need is there for continuation of I.E.T.?

We further learn, "The Interest Equalization Tax and the Voluntary Cooperation Program have worked in tandem and have complimented each other as measures for correcting the balance-of-payments deficit. . . . Failure to extend the Interest Equalization Tax would have adverse balance of payments consequences and would place undue strain on other elements of the administration's economic program." May we ask at this point, where the Interest Equalization Tax on outstanding equities has assisted the United States in the balance of payments deficit? We agree with the views of the Under Secretary of the Treasury that the tax is not a revenue producing measure nor an absolute deterrent for the purchase of foreign securities. It is neither one nor the other as can be demonstrated. We are further told that the existing presidential discretionary provisions of the I.E.T. law has resulted in substantial gains for the balance of payments position. Is it in view of these gains that the I.E.T. rate needs an upwards change?

There are other means of controlling the inflow of outstanding securities less troublesome and more effective than the hurriedly prepared recommendations of the Treasury.

In my presentation to the Ways and Means Committee, I pointed out that a differentiation between the treatment under the I.E.T. law of *outstanding* equities and debt securities would be justified. The name given the impost—interest equalization tax—itself implies such a differentiation since interest can never be attributed to equities.

We urge this Committee to take cognizance of our request for a differentiation between equity and debt securities. At the very least, the Treasury Department should be requested to justify its failure to support a differentiation in spite of our urging. The bill calls for amendment of Section 4911 of the Internal Revenue Code to provide the President with the authority to vary the amount of tax between 15% and 22½%, such authority commencing 30 days after the enactment of the Act. Notwithstanding our comments before the House Ways and Means Committee giving limited support to the proposed presidential discretion, the members of my Committee clearly feel that such a flexibility would create, here as well as abroad, a new and dangerous indicator as to our monthly balance of payments fluctuation. Should, however, this Committee feel that such flexibility would serve a useful purpose, I submit that the discretion to be given to the President should permit him to raise or lower the rates of tax individually by category and downwards to zero. As presently written, any change in rate must be proportionate as to each rate of tax, that is, it must apply to the rate imposed on the stock category as well as the sliding scale rate on the debt obligations and commercial bank loan categories and the discretion is limited to between 15% and

22½%. House Report No. 68, accompanying H.R. 6098, on page 15 states the same percentage increase or decrease would have to apply to all categories. We in the securities business do not feel such is wise because we believe a valid case can be made now for the reduction or complete elimination of the tax on equity securities. We, therefore, urge this Committee to amend the bill to give the President authority to vary the rate by category down to zero.

As securities dealers, we naturally are concerned with the effect of the proposed increase in the tax on our market making ability as well as on our businesses. We are also concerned about the image of the United States in the marketplaces abroad and especially in the eyes of foreign investors and institutions.

The United States securities industry and American broker-dealers have done a fabulous selling job in placing American securities with foreign investors. Their research and know-how have been so successful that there are now no foreign stock exchanges which function on a par with those of this country. The result of this marketing effort has created a considerable commission income in the form of foreign currency which has become a permanent asset in our balance of payments picture. In fact, the United States securities markets have become a model, but more importantly, a haven for foreign capitalists. The Foreign Investors Tax Act signed by the President on November 13, 1966, in addition to the recommendations of the Fowler report issued April 27, 1964, have helped us in our task.

The inactivity of foreign stock exchanges and the many economic problems which foreign investors have, resulted in a completely negative approach by the United States persons to those markets.

Foreigners look up to the United States for their economic example and freedom of trade. They are extremely disturbed by this so-called tax and they believe it is basically a levy on foreign exchange or a levy on the import of securities rather than a tax. This is especially so in the case of outstanding equity securities since, in respect to them, there is, as I said before, no interest to equalize. Should this Committee against our advice and taking fully into consideration our balance of payments problem still decide in its wisdom not to reject this levy, we shall urge the President—if he is given the authority by Congress—to reduce the tax on equity securities to zero. If he is given this discretion, he would also be in a position to order a change upward promptly if such was found necessary thus diluting the possibility that the elimination of the tax would adversely affect our balance of payments for any length of time. The securities industry would certainly be in a considerably improved position in placing American securities abroad if this threatening levy on foreign equity securities were eliminated.

CONCLUSION

In conclusion, I would like to reemphasize the opposition of the Foreign Committee of the National Association of Securities Dealers to the Interest Equalization Tax and especially to increasing the tax since the need for that action has in no way been demonstrated and we do not believe it can be demonstrated. Indeed, we feel the tax should be allowed to expire on July 31, 1967, which will occur if this Committee takes no action.

In any event, whether the rates are increased or left the same the President should be given discretion, clearly spelled out in the bill, to vary rates of tax as to one or the other of the categories, individually.

Also, in the event the Congress desires to continue the tax, the Association pledges its cooperation with the Treasury Department and the Internal Revenue Service to stop the evasion scheme which we understand has been running rampant. Again, I offer

the services of the Association and the Foreign Committee toward accomplishing that goal.

In addition, Mr. Chairman, the Association would also like to request that the Committee hold the record open so that it can submit a supplemental statement specifically directed toward that section of the Treasury's proposals designed to prevent a continuance of the tax evasion problem.

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.,

Washington, D.C.

Re Improprieties in foreign securities transactions.

IMPORTANT NOTICE TO NASD FOREIGN SECURITIES DEALERS

The Association's Foreign Committee strongly urges members of the Association to use special caution when transacting business involving foreign securities with banks, brokers or private clients located or residing outside of the United States. To fully protect yourselves, it may sometimes be advisable to attempt to trace the history of the security in question prior to trading and prior to introducing the security into the United States. By doing so, all suspicion of wrongdoing on your part can be relieved if subsequent events reveal wrongdoing by others. It should be remembered that violations can be criminal in nature and if the situation is such that you knew or should have known of improper activity on the part of others, or that a "Certificate of American Ownership" was fraudulently executed, and you continued to participate with the wrongdoer, you possibly could be charged criminally. An example of a situation where you might want to investigate further would be a case in which a United States person seems to have an unlimited amount of many foreign securities.

Members should also be aware that a "signature guarantee" guarantees the signature of the signer only and in no way guarantees the validity of a "Certificate of American Ownership." In this connection, members should be aware of their responsibilities under the Interest Equalization Tax Act and regulations promulgated pursuant thereto Rule 147.5-1 of the referred to regulations requires members to "maintain records sufficient to identify the United States owner for whom the stock or debt obligations were held and to establish the status of such owner as a United States person eligible to execute a certificate of American ownership for purposes of section 4981 (a)." Thus, you are required to have as part of your records proof of the status of a signer of a "certificate" as a United States person.

The Administration has proposed to extend the Interest Equalization Tax Act, due to expire July 31, 1967, to July 31, 1969. It now appears that the maximum rate of tax will be increased from 15% to 22½%, and that the President of the United States will be given discretion to make certain changes in that rate within specified limitations if he determines such changes will be consistent with the balance of payments objectives of the United States. In view of the expected continuation of the Interest Equalization Tax Act, it is appropriate to again emphasize that members use the prudent businessman's approach in transactions involving foreign securities.

The Foreign Committee wishes, therefore, to take this opportunity to advise you to familiarize yourself fully with the requirements of the above-mentioned Act. Previous notices have drawn members' attention to this measure and its implications and the Committee reiterates them at this time.

Very truly yours,

ROBERT W. HAACK,
President.

[Hearings by the U.S. Senate Finance Committee on Interest Equalization Tax Extension Act of 1967, July 17, 1967]

STATEMENT OF ROBERT F. SEEBECK, FORMER CHAIRMAN, FOREIGN INVESTMENT COMMITTEE, INVESTMENT BANKERS ASSOCIATION OF AMERICA

Mr. SEEBECK. I am Robert F. Seebeck, a vice president and director of Smith, Barney & Co., Inc. Until approximately 1 month ago, I was chairman of the Foreign Investment Committee of the Investment Bankers Association of America, when a change of my responsibilities within my firm caused me to pass this position to Stephen Kellen, president of the firm of Arnhold & S. Bleichroeder, Inc. of New York. Mr. Kellen planned to be present but a rescheduling of hearings prevented him from being here. Also Mr. Stevenson, our special counsel, had prior commitments to be in Europe.

I have adapted this statement somewhat from the one before you, and I request that it be included in the record. I can give the reporter this copy. It varies only somewhat. Senator McCARTHY. Thank you.

Mr. SEEBECK. At the outset, I should like to reiterate our association's previously expressed opposition in principle to the interest equalization tax which we view as a form of control that impairs the position of the dollar and the longstanding U.S. espousal of the principle of freedom of capital movements. Representatives of the IBA testified at the initial hearings in 1963 when the tax was first proposed and again in 1964 when it was first enacted. I would like to repeat for the record our belief that much better answers can and must be found which deal more directly with the fundamentals of the balance-of-payments deficit.

The investment banking industry is not unaware of the basic causes of this deficit which have resulted in such strains on the dollar. We are not unaware, for example, of the difficulties inherent in seeking to decrease the deficit through reduced military expenditures abroad, through a larger trade surplus, through reduced allocations of foreign aid with increased amounts of such aid tied to exports, and through attempts to reduce the net exchange loss, now nearing \$2 billion annually, resulting from greater expenditures by American tourists abroad than by foreign tourists in the United States. Finally, we are not unaware of the economic and political considerations involved in monetary and budgetary policy which bear on the important subject of the competitive international position of the United States.

With these longer terms considerations in mind, our first recommendation is that the proposed extension of the interest equalization tax be limited to 1 additional year or until July 1, 1968. We are of the opinion that sufficient changes may occur within the next year that it will be in the national interest to review a question of this magnitude at that time. Though it seems unlikely right now, the military phase of the Vietnam conflict could be reduced or could terminate; our trade surplus could increase; the administration's attempt to induce Americans to "see America first" may result in less American spending for travel to other countries; foreign aid outlays not restricted to exports may be further reduced; support of their own foreign military establishments at home by foreign creditor countries should increase in the years ahead. Not the least important reason for seeking only a 1-year extension is that this measure was adopted as a temporary expedient. A 2-year renewal would mean that the tax had existed for 6 years, hardly a temporary period. For these many reasons, we therefore believe that a review of the interest equalization tax is not only warranted, but imperative sooner than 2 years from now.

Our second recommendation relates to the proposed increase in the tax on foreign equity securities from 15 to 22½ or 30 per-

cent as recently mentioned on Friday. The Treasury Department figures, which we have seen and which were referred to by Under Secretary Deming in his remarks to you last Friday, indicate that Americans for the fourth year in a row were net sellers of foreign equities in 1966; that is, they were not purchasers of foreign equities on balance, but rather the reverse.

This obviously means there was a dollar inflow on foreign equity portfolio account. We do not believe that increasing the levy on the purchase of foreign equities will significantly increase this "disinvestment."

The administration is presently attempting, and properly so we think, to induce more Europeans to become interested in the American equity market. To the extent that this drive is successful, it will stimulate an inflow of dollars—a positive approach to the deficit problem—and one which we therefore enthusiastically applaud and are supporting by our own efforts. A substantial increase in the tax is certainly not likely to attract more foreign buying. European reaction to the current proposal is understandably anguished, particularly in light of the recommendations, for example, of a meeting earlier this year sponsored by the Atlantic Institute and the Business and Industry Advisory Committee to the OECD attended by representatives of 10 Western European nations, Japan, Canada, and the United States. Among the recommendations made by this group after their deliberation were the following:

"(IX.) To assure the most effective use of available resources, measures should be taken aiming at the complete liberalization of international capital flow . . .

"(X.) The use of restrictions on international capital movements to correct economic disturbances originating in areas other than capital markets should be avoided as such practices result in fragmented national capital markets."¹

We believe it is neither wise nor desirable to turn a deaf ear to the adverse points of view that are being expressed from abroad about this legislation. The implications of H.R. 6098 are giving concern to many of these people—they wonder whether, in terms of finance, the dollar is truly a fully convertible currency. The question was raised in an editorial earlier this year in the *London Times*, a copy of which is appended to this report. We believe adequate evidence exists to support the contention that a 15-percent rate has been sufficient to implement the IET as it was passed. We do not feel that doubling or increasing the rate by 50 percent will be an additional deterrent, and question the purpose that would be served by so doing.

In light of the testimony on last Friday by Under Secretary of the Treasury Deming, I would like to depart very briefly from the text of my statement which was mailed to each member of this committee. These remarks are obviously for inclusion in the record.

In brief, your committee is being asked to consider an increase in, and extension of, the interest equalization tax. By its very designation, interest equalization, it should simply not have anything to do with equity securities. As I will point out later, we in the industry believe the administration's concern about the dollar outflow was prompted originally by the aggregate amount of foreign borrowings through the sale of debt securities. The Under Secretary has satisfactorily shown that these figures were in fact large when the tax was first proposed and have in fact declined substantially during the time the tax has been in existence. His later remarks concerning the growth of the interna-

tional capital market refer solely to the increased ability of the European market to handle a large volume of debt securities, international bond issues. But we have been told that Americans have been net sellers of foreign equity securities for the past 4 years. If the "tax" has contributed to this state of affairs, what reason is there to believe that a larger tax would be more effective?

The point I am trying to make is that wholly different considerations govern whether an investment manager or an individual investor will place his funds in a debt or equity security. He will generally invest the funds going into debt obligations of similar quality and safety in the one paying the higher return. When considering equity investments, he almost invariably will seek capital appreciation or growth. If the growth potential of an equity security were sufficiently attractive, there is no real reason why the investor would not accept a 30-percent handicap, for example, if he felt the security in question offered the possibility of doubling over a given period. This has been proved in the past by British investors who, despite a premium of 20 percent or more on "investment dollars," have still been important purchasers of U.S. equity securities.

Looking at the question from the point of view, of the issuer, on the other hand, there are several reasons why debt capital would be more desirable than equity capital, and this has been the case as the figures you have heard point out. In the first place, the treatment of interest charges in many countries has a tax advantage to the borrower much as is true here in the United States. Thus the real cost of money is less than the apparent rate which is indicated by the coupon on the issue. Perhaps more importantly, the issuer who chooses to sell a new equity security must consider the effects of dilution on the company's earnings, as these earnings are spread over a larger number of outstanding shares. Both considerations would tend to favor his selling a debt obligation. Thus, as we have said, we are more sympathetic to the Treasury's concern about the prospective dollar outflow through debt issues than we are by way of new equity offerings or the trading in outstanding equities.

Our original recommendation was that the least disruptive approach would be to extend the present 15-percent tax on foreign equities purchased from foreigners for only 1 year, at which time we would have asked a review with this committee of the then current picture. However, as Mr. Froy just told you, we are aware that members of the NASD Foreign Committee have been working closely with the Treasury in order to evolve an effective way of dealing with outstanding equity securities. We believe the NASD to be competent to deal satisfactorily with this problem and support in principle their recommendations.

I would like to turn now to what we believe is a wholly different question, and that is the tax as it affects debt financing, which may have been the original, and was certainly the principal, intent of the interest equalization tax.

At the time the administration requested the tax be doubled retroactive to January 25, 1967, it was apparently concerned that anticipatory borrowing would occur in this market prior to the passage of legislation extending the IET which had been due to expire in July of this year. For a variety of reasons, not the least important of which is the fact that interest rates in the United States have returned to a very high level historically after a substantial decline early in the year, such borrowing has, in fact, not taken place nor would it have done so even without the request publicly for an increase in the IET.

As a matter of fact, relative stability in the foreign dollar market has permitted a substantial amount of financing to take

¹ Atlantic Institute, B.I.A.C., "Recommendations, Capital Markets Conference, Cannes," Jan. 22, 1967.

place in Europe, at quite attractive rates until a very recent reversal in the long-term market.

As we mentioned in our appearance before the House Ways and Means Committee in testimony about this bill on February 16, 1967, the decline in rates for high-grade domestic borrowers from mid-January until about March was not transmitted to the same extent either to companies with lower credit standings or the securities of foreign issuers. We said in that statement:

"* * * sufficient improvement in rates here in the U.S. for foreign bonds over rates abroad has not manifested itself, nor, for a variety of reasons, is it likely to do so in the foreseeable future; second, the Guidelines for institutional investors, combined with both a sympathetic psychological, or if you will, 'patriotic' reluctance to lend to foreigners and appealing rates on domestic financing have tended to limit interest in such foreign loans here."

This statement is still true today. On the other hand, strength in the market abroad permitted the foreign subsidiaries of some American companies to borrow at long term with interest rates of 6 percent or less, the lowest such coupons since February of 1966. A continuing strong demand for long-term capital both here and abroad to date has caused interest rates in both markets to rise once again, essentially preserving the relative spread in rates that have existed. The U.S. market has, therefore, not become any more appealing in the recent past to prospective foreign borrowers. The availability of funds is what governs the investment decisions of investors, both individual and institutional. The continuing heavy demand for funds over the next several months on the part of domestic corporate and municipal borrowers is likely to preclude foreign obligors from obtaining significant amounts of capital in the U.S. market.

While we understand the administration's rationale in seeking to extend this tax, we suggest that the tax on debt obligations be continued at existing rates until July 31, 1968. We do, however, subscribe to the Treasury's proposal that a desirable element of flexibility be added by giving the President the right to vary the rate applicable to debt securities in such a way that the differential could be as little as zero or as much as 1½ or even 2 percent, if conditions warranted. It is our hope, of course, that the administration will react as promptly in reducing the tax when appropriate as it will in raising the levy when such a deterrent seems advisable.

In order to further increase the Secretary of the Treasurer's ability to permit the U.S. capital market to function in as normal a manner as possible within the limits determined by him to be compatible with the U.S. balance-of-payments position, we advance again a suggestion made before the Ways and Means Committee of the House of Representatives in July of 1964 by the then Chairman of the Foreign Investment Committee of the IBA regarding the enactment of the interest equalization tax. It was stated that, for many years, there had been a history of interest on the part of Europeans in buying dollar bonds of foreign obligors even when these issues were registered under the Securities Act of 1933 and originally offered only in the United States (pre-IET days). Such interest still exists, of course. The IBA Committee's proposal is that any debt or equity issue of a foreign issuer or obligor acquired by a U.S. underwriter would be exempt from the interest equalization tax if it can be shown that not more than 25 percent of the principal amount of debt obligations or of the shares of stock of the aggregate issue had been sold to U.S. persons. The Secretary of the Treasury would have the authority, in his discretion, to increase or decrease the specified percentage applicable to all issues from time to time, in accordance with the Treas-

ury's view of the U.S. balance-of-payments position. If an amount in excess of this specified percentage were sold to U.S. persons, this provision could be implemented by requiring that an interest equalization tax equal to 150 percent of that normally due be paid on the excess amount. In order to avoid a possible "flowback" to the United States of securities sold to foreigners, the exemption would apply only to the initial distribution or placement and not to the security itself; that is, a subsequent resale to a U.S. person by a foreign purchaser would be subject to the tax. If the number of issues contemplated on this basis became too large, the percentage which must be sold abroad could be increased up to 100 percent. Such an arrangement has the essential elements of flexibility and ease of supervision, and would give the U.S. investment banking industry a chance to participate more actively in international dollar financing.

In 1964 we also proposed the exemption from the tax of new issues of securities the proceeds of which are used to pay U.S. persons for goods or services. The financing of the purchase of U.S. goods or services does not adversely affect our balance of payments. On the contrary, it is an effective means of carrying out the administration's objective of stimulating exports and reversing the 3-year downward trend in our merchandise trade surplus. We then proposed, in order to give assurances to the Treasury that the proceeds of a particular foreign issue for which exemption was claimed would, in fact, be used for purchases from U.S. persons, that the proceeds be escrowed with a bank subject to withdrawal only in order to make payment to U.S. persons for goods and services. We believe that the proceeds of a foreign bond purchase should be escrowed with a bank subject to withdrawal only in order to make payment to U.S. persons for goods and services. We believe that the proceeds of a bond issue for a foreign borrower could readily be escrowed with a U.S. commercial bank and released against documents evidencing shipment of U.S. goods abroad, and thereby qualify for exemption from the IET on the grounds of financing U.S. exports. We again recommend that such an exemption be considered and would be pleased to work with the Treasury and the staff of the committee in developing effective administrative procedures in this area.

In the interest of saving the valuable time of this committee as requested of me by Mr. Tom Vail, I will not read certain technical recommendations we have made for liberalizing this legislation. This does not mean that we feel any less strongly about these proposals, and I respectfully request that this committee study these suggestions which are contained in my written statement.

In summary, we urge again that your committee think of this legislation not as a substitute for the admittedly more difficult yet decidedly basic policy question which adversely affect the balance of payments and to give careful consideration as to reactions the proposed legislation is engendering abroad. Europeans are assuming that the situation in the United States is more critical than it may really be. It is a serious matter when the judgment is made by responsible Europeans that the dollar is no longer a fully convertible currency. U.S. prestige declines when defensive measures of this type are unduly prolonged or made more drastic than our conditions warrant. It is our committee's view that the Congress should think more in positive terms of stimulating a dollar inflow through such measures as the Foreign Investors Tax Act (which we believe could have gone even further in eliminating taxes on foreign holders of U.S. securities) rather than in perpetuating existing controls or creating new ones. We in the industry are desirous of restoring to the U.S. capital market its proper role as the financial capital of the free world.

The worldwide demand for funds for projects which are truly sound and forward looking is enormous; it is impossible to conceive of these projects proceeding without drawing on the huge pool of American capital. We must strive to free our market, and other markets, of controls—not extend them. Thank you, gentlemen.

Mr. JAVITS. Mr. President, the final point—to me, the most important point with respect to the measure—is that the administration can do many things other than those contained in the proposed legislation, which would be much better alternatives, considering the amount involved.

Mr. President, this seems to me to be very self-defeating in terms of the interest of the United States in continuing to be the major capital market of the world. Yet we justify this measure on the balance-of-payments grounds.

Let me give, for example, an alternative on balance-of-payments grounds that we could adopt in this bill. One of the major contributors to the imbalance of our payments is the excess of expenditures by American tourists abroad over what is spent by foreigners in the United States. This amount was close to \$2 billion per annum as of the last fiscal year. Yet our Government is not taking any real positive steps to bring tourists in greater numbers to the United States, notwithstanding this imbalance.

The best estimate which I have indicates that it is entirely practical to boost tourist expenditures in the United States by an intelligent system of tourist promotion adequately financed—and I emphasize the words "adequately financed"—by perhaps \$1 billion a year which would have a greater impact on our balance of payments than this self-inhibitory ordinance, the interest equalization tax. Right now, we absolutely starve the U.S. Travel Service and give it \$3 million a year to encourage foreign tourism in the United States, which is entirely impractical. The United States should be the leading tourist country in the world. Instead, it is far down the line, and we neglect the situation. In his Economic Report this January, the President announced that he is establishing a Presidential task force on travel to make recommendations on how to make U.S. travel policy more effective. It has not yet been appointed—6 months later.

I have proposed legislation for 2 years now to significantly expand the U.S. travel service. Action on the bill has been blocked for one reason or another since then.

This is one of the most neglected areas of American life in which the course I have described could be very materially reversed.

I ask unanimous consent that an editorial which appeared in the July 8 issue of the Christian Science Monitor, entitled "The Travel Gap" as well as a bill I introduced in the 89th Congress which would increase the effectiveness of the U.S. Travel Service, with explanatory remarks, be printed in the Record at this point of my remarks.

There being no objection, the editorial, the bill, and the accompanying statement, were ordered to be printed in the Record, as follows:

[From Christian Science Monitor, July 8, 1967]

THE TRAVEL GAP

Another boom year in foreign travel by Americans is in the making. This is fine from the standpoint of promoting international understanding but bad from the standpoint of the U.S. balance of payments. In her column in *The Herald* recently, economist Sylvia Porter predicted the "travel gap" may hit \$2 billion this year. The gap is the difference between what Americans spend in other countries and what foreign visitors spend in the U.S.

The deficit is becoming so serious that Sen. Jacob Javits, New York Republican, has warned: "... if we cannot deal with our travel deficit through positive measures, then we will have no alternative but to consider the imposition of restrictions on travel, which would result in damaging consequences."

Indeed it would, Americans should have no limits on their right to travel. What form such restrictions might take is open to speculation. Special taxes? Cellings on the dollars citizens could carry out of the U.S.? Whatever, the restrictions would not be popular.

The fact is that the U.S. has never really concentrated on what Javits calls "positive measures." Our efforts to attract foreign visitors are limited. There is the U.S. Travel Service, charged with promoting tourism in our nation, but its budget is inadequate—\$3 million for the current fiscal year. The agency repeatedly has asked—and been denied—the full \$4.7 million appropriation authorized by the act that created it in 1961. The travel service has had to get along on about .003 per cent of the U.S. federal budget. Spain devotes almost half of 1 per cent of its budget to tourism. So does Greece, Mexico allots .26 per cent, Switzerland .23, France .02.

Beyond the question of dollars, however, is the fact that it is in our national interest to have Americans travel abroad and citizens of other nations visit the U.S. Travel is an educational process. It serves to inform Americans about other countries and about the U.S. role in the world. If our nation is to be a world leader, it needs citizens who are knowledgeable about other countries. And any foreigner who visits America—who sees how we live and how our economy and system of government work—is less likely to misjudge the intentions and capacity of our land. Before taking any negative steps to limit American travel because of a concern for the balance of payments, our government should take more positive steps to encourage foreign travel in the U.S., starting with a beefed-up U.S. Travel Service.—*The Boston Herald*.

MAJOR U.S. TOURISM EFFORT ESSENTIAL

MR. JAVITS. Mr. President, I send a bill to the desk to expand the U.S. Travel Service in order to increase domestic travel, and to make it the focal point for all U.S. activities related to the expansion of domestic and international travel. It will be remembered that the U.S. Travel Service is confined to encouraging foreign travelers to travel in the United States.

I wish to pay tribute to the Vice President of the United States, who has taken an extraordinary leadership in this matter and brought about an arrangement for voluntary private action, through the "See the USA" program, providing \$500,000 from private enterprise, in the so-called Discover America project which is to develop a nationwide campaign to publicize travel within the United States.

The reason for introducing the bill is that it is very clear to me that the problem is very much greater than this voluntary effort, standing alone, would develop, and it needs

action, at a far greater increase in terms of time and on a broader scale than would be the result of the efforts for which the Vice President has been responsible to date.

The bill is necessary because:

First. The present U.S. effort to close the so-called travel gap, which adversely affects our balance of payments to the extent of an estimated \$1.6 billion annually is not adequate; foreign visitors here do not find the advanced facilities for foreign guests that are available in practically all major travel centers of the world.

Second. Funds now being spent by a dozen agencies of the Government for the encouragement and promotion of tourism within the United States are not coordinated sufficiently.

Third. There is a great need for a national inventory of domestic travel and tourism needs, and for the development of plans for the future development of this, the third largest industry in the Nation.

Fourth. Extensive State and local efforts in the field of domestic travel and tourism need to be coordinated and facilitated.

The bill introduced today would:

First. Provide for an expanded U.S. Travel Service with a director appointed by the President, with the advice and consent of the Senate, and responsible directly to the Secretary of Commerce. The director would have two deputies, one responsible for the promotion of foreign travel to the United States, and the other responsible for the administration of the domestic travel program. The functions of the new domestic travel program would be to develop a coherent national travel policy; to coordinate present Federal travel-related activities; to encourage construction of new tourist facilities within the United States and, to coordinate and act as the Federal Government's liaison with State and private tourist organizations.

Second. Increase funds for the national travel program to \$15 million; \$10 million to be allocated to encourage foreign tourists to visit the United States and \$5 million to begin the proposed domestic travel program.

Third. Authorize a national inventory of domestic travel resources to lay the groundwork for a long-term national travel program. The bill calls for the creation of a 15-member National Tourism Resources Review Commission to be appointed by the Secretary of Commerce among private citizens knowledgeable and experienced in the travel field.

I hope very much the administration and my congressional colleagues will study this bill with the greatest care, and will support it.

MR. PRESIDENT, I ask unanimous consent to introduce the bill out of order. I ask also that the bill lie at the desk for a week to permit other Members of the Senate an opportunity to cosponsor it.

THE PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie at the desk as requested.

The bill (S. 2305) to amend the International Travel Act of 1961 in order to promote travel in the United States, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Commerce.

MR. JAVITS. Mr. President, I have a few brief remarks on this subject. One of the big problems facing our country is the problem of the balance of payments. I have addressed myself to that problem many times. One of the biggest efforts we can make to reduce our balance-of-payments deficit is to reduce the difference between what the United States earns from and what it pays out for international travel, which in 1964 added \$1.6 billion to that deficit. This is the so-called travel gap. That imbalance of payments, though we are not undergoing it at the present time, will soon show up again, according to expectations and probabilities.

The time has now come to mount a major national effort with an eye on the overall aspects of tourism, both as it pertains to the effort of attracting foreign tourists to our shores and as it touches upon a need, which is becoming clearer every day; namely, to gear up this Nation for increasing travel by Americans in America.

The travel industry has hardly touched its potential: 80 percent of our people have never been in an airplane; 80 million Americans took no trip anywhere last year; and more than half of our people have never been more than 200 miles from home.

The U.S. travel industry, composed of thousands of hotels, motels, resorts, airlines, national parks and forests, gas stations, seashores, restaurants, is one of the most important national resources. It is a \$30 billion industry, ranking as third largest behind manufacturing and agriculture. It is vitally important as an employer of 6 million individuals, 3 million directly and an additional 3 million indirectly, many of them unskilled and semiskilled; as a source of profits to investors and owners, as a source of tax revenue both to the States and the Federal Government. A vigorous domestic travel industry is also vital as the most effective means of dealing with the so-called tourism gap—the difference between money spent by U.S. tourists overseas and foreign tourists in the United States.

By promoting foreign and domestic travel effectively at the National, State, and local levels, we will be in a much better position to attract foreign tourists, confident, for example, that when they arrive they will be able to convert their currency easily at points of entry and in the larger cities, that they will be able to find officials and employees in the hotel and transportation field capable of speaking their language, that the natural and manmade wonders of our country will be made available to them with the least possible difficulty. In short, that they will find facilities awaiting them, similar to the facilities and services available to foreign visitors in Europe for the last half century.

The responsibility to own, invest in, and to promote and manage our travel industry belongs to the private sector. The responsibility to encourage, assist, and to act as a catalyst and spearhead for our travel industry rests with the National, State, and local governments in cooperation with private industry.

Since the end of World War II, European countries, Canada, and Japan, as well as developing countries, have embarked on large-scale efforts to increase foreign travel to their countries, as well as to increase travel within their borders. They realized early the enormous earnings potential of travel and as a source of employment and tax revenues. With this realization in mind, budgets for travel promotion have risen each year.

A few statistics will demonstrate what is at stake here: In 1963, international travel accounted for \$8.355 billion in the flow of world trade, of which U.S. tourism generated \$3.19 billion, Western Europe, \$4.05 billion and the rest of the globe \$1.015 billion. Close to 8 million Americans spent this \$3.19 billion in Canada, Mexico and to a lesser extent in Europe and the Mediterranean. Some 90 million foreign visitor arrivals were recorded by 68 countries in 1963, including 6 million in the United States earning for the United States \$1.05 billion in that year. Here it must be noted that of the 8 million Americans traveling abroad, 6 million traveled in Canada; and of the 6 million visitors here, 5 million were Canadians.

The United States is a late starter in the competition for the foreign traveler. It was not until the creation of USTS in June 1961 that the United States Government seriously started to promote foreign travel to our shores. This effort has been extremely successful as is demonstrated by the steep rise

in foreign travel to the United States since the USTS went to work. On a budget that has reached \$3 million only in the current fiscal year, the USTS has succeeded in increasing foreign travel to the United States by 17 percent in 1962, 22 percent in 1963, and by over 30 percent in 1964.

According to information supplied by John Black, the director of the USTS, to the House Banking and Currency Committee on November 30, 1964, the estimated number of foreigners whose income level would permit a visit to the United States is 3.5 to 4 million as compared to the 1 million or so who have visited this country from overseas, excluding Canada. It is therefore quite clear that the USTS budget should be sharply increased if an effective travel promotion campaign is to be mounted by the United States.

It is rather obvious that before an effective national effort can be mounted to fully exploit the potential of travel in the United States there must be developed a focal point within the Federal Government to orchestrate the activities of the Government in travel and tourism.

If anyone today attempts to discuss the problem of improving our American travel resources with official Washington he would find it impossible to find any one agency involved with the broad aspect of travel. There is an agency to promote foreign travel to this country, another to encourage outdoor recreation.

The Agriculture Department is encouraging farmers to build campsites. Interior is helping Indian reservations to create tourist attractions. ARA is lending money for tourist development in distressed areas. Interior has National Parks, and Agriculture, National Forests. The Commerce Department established transportation policy and so do a number of independent agencies.

More than a dozen Federal departments and agencies spend millions of dollars on travel and tourism functions. Departments or agencies not already named include the Forest Service, the U.S. Army Corps of Engineers, the Tennessee Valley Authority, the Bureau of Sport Fisheries and Wildlife, the Bureau of Outdoor Recreation, the Civil Aeronautics Board, the Interstate Commerce Commission, the Bureau of Public Roads and the Armed Forces. The need is obviously great for a central coordinating body which can at least think about the overall state of the American travel industry.

Providing the specialized facilities and services needed by foreign and domestic visitors must also be considered. There is a great need for taking a national inventory of our national travel resources and assessing its adequacy over the next decade. A new initiative must be taken to establish a close relationship between our national efforts to promote domestic and foreign travel in the United States and the efforts of the States.

Such an inventory would be the responsibility of the National Tourism Resources Review Commission which is authorized by the bill I introduce today. The Commission, whose members would be experienced in the tourism and travel industries, would bring into focus our current resources and facilities and help draft long-range plans for the future.

Under my bill, the Commission would be provided with a budget of \$2.5 million and would be ordered to report to the President and the Congress within 2 years. The staff of the U.S. Travel Service would be authorized to assist the Commission, but expert consultant hire would also be authorized.

Among the problems that should be considered by the Commission in the course of its study are two which are of vital interest to the travel industry itself: Whether a separate Federal agency should be created to consolidate and coordinate the tourism research, planning and development now han-

dled by many different departments, offices, and agencies; and whether it would be practical to establish a matching-fund program to assist the States in developing their own promotion and facilities improvement programs.

The administration has recently started to deal with this problem in earnest. In March 1965, President Johnson appointed Vice President HUMPHREY as Chairman of a special Cabinet task force on travel to develop a positive program to encourage foreign travelers to come to the United States and to stimulate greater travel by our own citizens. The task force supported an increase in the budget of U.S. Travel Service from \$3 million to \$3.5 million. The House cut this request to \$3 million, and U.S. Travel Service is now attempting to get \$500,000 restored in the Senate. It also supported legislation to reduce from \$100 to \$50 the duty allowance of returning travelers. I believe that this piece of legislation was uncalled for, would have been of little consequence in balance-of-payments terms, but could have caused great harm to international travel. As a result of strong opposition in both the House and the Senate—in which I played an active part—the duty-free allowance of returning travelers was left at \$100 retail and the law was made permanent.

Congress also authorized the President in August 1964 to appoint an unpaid national chairman to coordinate the efforts of private industry in carrying out the purpose of the "See the U.S.A." program. The chairman of the program, Robert Short of Minneapolis, was appointed in May and with strong support from the Vice President mounted the Discover America, Inc. project which will publicize travel within the United States with \$500,000 in contributions obtained from key segments of the travel industry.

Efforts by private organizations to cope with this enormous and complex industry have been commendable but successful only in a limited area—public relations, advertising and publicity within the United States. This is a job which under our constitutional form of government should be left in private hands. This is how objectives of the U.S. Travel Service are carried out and this is how "See the U.S.A." program is implemented.

At the same time I want to make it entirely and unmistakably clear that I do not think that public relations job financed with \$500,000 in private contributions can ever solve our travel problems nor could it provide for an adequate national travel program. This is a job which calls for Federal initiative and financial support. It is a job that calls for an inventory of our travel resources and needs so that our private travel industry can invest and make its own plans with a clear idea of where the opportunities lie in the decade ahead.

This, I feel the bill I am introducing today will do, and I urge that it receive the closest attention of the Congress.

I am offering this measure as a result of a longstanding interest, for I cosponsored, with the Senator from Washington [Mr. MAGNUSON], chairman of the Commerce Committee, the bill to establish the U.S. Travel Service in 1961. It followed a long-time effort in which I had been engaged in since 1953, when I was chairman of a subcommittee of the Foreign Affairs Committee of the House of Representatives on international economic cooperation, which developed the whole aspect of travel as a major element in our international financial affairs in respect to foreign policy.

Mr. President, I ask unanimous consent that various exhibits relating to this matter be made a part of my remarks in the Record.

There being no objection, the exhibits were ordered to be printed in the Record, as follows:

"EXHIBIT 1.—TRAVEL PROMOTION EXPENDITURES OF 20 COUNTRIES AS COMPARED TO THEIR GROSS NATIONAL PRODUCT AND GROSS EARNINGS FROM TRAVEL¹

| "Country | Travel promotion expenditures | GNP | Gross earnings from travel |
|----------------------------|-------------------------------|-----------------|----------------------------|
| Austria..... | \$892,000 | \$7,666,000,000 | \$503,000,000 |
| Belgium..... | 2,000,000 | 13,900,000,000 | (?) |
| Canada..... | 3,700,000 | 15,375,000,000 | 609,000,000 |
| Denmark..... | 600,000 | 7,970,000,000 | 164,000,000 |
| Finland..... | 700,000 | 5,810,000,000 | (?) |
| France..... | 4,500,000 | 79,360,000,000 | 808,000,000 |
| Germany ² | 1,500,000 | 94,200,000,000 | 688,000,000 |
| Great Britain..... | 7,000,000 | 84,170,000,000 | 619,000,000 |
| Greece..... | 312,400,000 | 4,367,000,000 | 91,000,000 |
| Ireland..... | 3,100,000 | 2,265,000,000 | 165,000,000 |
| Italy..... | 2,900,000 | 45,100,000,000 | 1,000,000,000 |
| Luxembourg..... | 92,000 | 525,000,000,000 | (?) |
| Mexico..... | 4,500,000 | 15,375,000,000 | 656,000,000 |
| Netherlands..... | 870,000 | 14,400,000,000 | (?) |
| Norway..... | 360,000 | 5,638,000,000 | 78,000,000 |
| Spain..... | 2,000,000 | 14,970,000,000 | 939,000,000 |
| Sweden..... | 481,000 | 15,560,000,000 | (?) |
| Switzerland..... | 2,000,000 | 11,630,000,000 | 560,000,000 |
| Turkey..... | 2,000,000 | 6,975,000,000 | 8,300,000 |
| United States..... | 3,400,000 | 583,900,000,000 | 1,005,000,000 |

¹ Information as pertains to the year 1963.

² Not available.

³ Including hotel maintenance costs.

⁴ Source: OECD report, 1964, U.S. Travel Service."

"EXHIBIT 2

"Budgets of Federal agencies dealing with some aspects of travel, fiscal year 1966¹

| | |
|--|---------------|
| Fish and Wildlife Service..... | \$52,169,500 |
| Bureau of Indian Affairs..... | 206,264,000 |
| Bureau of Land Management..... | 64,236,000 |
| National Park Service..... | 119,668,000 |
| Bureau of Reclamation (estimate)..... | 327,883,000 |
| Army Corps of Engineers civil works program, fiscal year 1965..... | 1,253,748,200 |
| Bureau of Outdoor Recreation..... | 128,398,000 |
| Area Development Administration..... | 73,200,000 |
| Forest Service..... | 360,000,000 |

¹ Funds available for travel promotion or facilities used by travelers are contained within these budgets."

"EXHIBIT 3. EXPENDITURES OF STATE GOVERNMENTS FOR TRAVEL PROMOTION, 1964

| "State | Biennial budget | Annual budget |
|---------------------|-----------------|---------------|
| Alabama..... | | \$355,500 |
| Alaska..... | | 389,600 |
| Arizona..... | | 150,880 |
| Arkansas..... | | 640,227 |
| California..... | | None |
| Colorado..... | | 305,692 |
| Connecticut..... | \$60,000 | 30,000 |
| Delaware..... | | 30,000 |
| Florida..... | | 1,000,000 |
| Georgia..... | | 475,211 |
| Hawaii..... | | 1,100,000 |
| Idaho..... | | \$157,344 |
| Illinois..... | 500,000 | 250,000 |
| Indiana..... | | (?) |
| Iowa..... | | 50,000 |
| Kansas..... | | 273,000 |
| Kentucky..... | | 680,000 |
| Louisiana..... | | \$230,000 |
| Maine..... | | 325,123 |
| Maryland..... | | 177,264 |
| Massachusetts..... | | 100,000 |
| Michigan..... | | 691,096 |
| Minnesota..... | | \$183,847 |
| Mississippi..... | | 377,850 |
| Missouri..... | 192,621 | 96,310 |
| Montana..... | | 126,000 |
| Nebraska..... | 125,000 | 64,500 |
| Nevada..... | | 50,000 |
| New Hampshire..... | | 274,500 |
| New Jersey..... | | 149,000 |
| New Mexico..... | | 216,639 |
| New York..... | | 720,635 |
| North Carolina..... | | 450,000 |
| North Dakota..... | 125,000 | 64,500 |
| Ohio..... | | None |
| Oklahoma..... | | 402,000 |
| Oregon..... | | 600,000 |
| Pennsylvania..... | | 526,000 |
| Rhode Island..... | | 123,070 |
| South Carolina..... | | 225,000 |
| South Dakota..... | | 408,000 |

“EXHIBIT 3. EXPENDITURES OF STATE GOVERNMENTS FOR TRAVEL PROMOTION, 1964—Continued

| “State | Biennial budget | Annual budget |
|--|-----------------|---------------|
| Tennessee..... | | \$375,000 |
| Texas: | | |
| Texas Tourist Development Agency..... | | 126,146 |
| Texas Highway Department, Travel Information Division..... | | 310,000 |
| Utah..... | | 150,000 |
| Vermont..... | | 213,639 |
| Virginia..... | \$1,193,495 | 596,747 |
| Washington..... | 692,234 | 345,117 |
| West Virginia..... | | 161,000 |
| Wisconsin..... | | 420,000 |
| Wyoming..... | 402,288 | 201,144 |
| Total..... | | 15,368,581 |

“1 Paid by State to Hawaii Visitors Bureau.
 “2 For advertising and promotion.
 “3 No budget.
 “4 Approximate.
 “Source: ‘1964 Development Advertising Reports,’ edited by Ruth H. Long.”

“EXHIBIT 4

“PARTIAL LIST OF PRIVATE TRAVEL ORGANIZATIONS PROVIDING PRIMARY TRAVEL INDUSTRY FUNCTIONS IN THE UNITED STATES

- “American Automobile Association (A.A.A.).
- “American Hotel & Motel Association (A.H. & M.A.).
- “American Motor Hotel Association (A.M.H.A.).
- “American Petroleum Institute (A.P.I.).
- “Air Transport Association of America (A.T.A.).
- “Hotel Sales Managers Association (H.S.M.A.).
- “National Association of Motor Bus Owners (N.A.M.B.O.).
- “National Association of Travel Organizations (N.A.T.O.).
- “Rail Travel Promotion Agency (R.T.P.A.).
- “Trans-Atlantic Passenger Steamship Conference.
- “Trans-Pacific Passenger Conference (steamship).

“EXHIBIT 5.—U.S. TRAVEL SERVICE BUDGET AND STAFF

| “Fiscal year | Budget | Size of staff in District of Columbia | Over-seas | Number of offices |
|------------------------------|-------------|---------------------------------------|-----------|-------------------|
| 1962..... | \$2,500,000 | 26 | 20 | 7 |
| 1963..... | 3,350,000 | 28 | 44 | 9 |
| 1964..... | 2,600,000 | 27 | 43 | 9 |
| 1965..... | 3,000,000 | 31 | 42 | 9 |
| 1966: | | | | |
| House allow- lowance..... | 3,000,000 | 30 | 50 | 11 |
| Senate appeal..... | 3,345,000 | 30 | 50 | 11 |

“Source: U.S. Travel Service.”
 Mr. JAVITS. Mr. President, I ask unanimous consent that the text of the bill may also be printed in the RECORD as a part of my remarks.

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

The bill (S. 2305) is as follows:
 “S. 2305

“A bill to amend the International Travel Act of 1961 in order to promote travel in the United States

“Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That the International Travel Act of 1961 (22 U.S.C. 2121–2126) is amended—

“(1) by striking out the first and second sections and inserting in lieu thereof the following:

“That it is the purpose of this Act to strengthen the domestic and foreign com-

merce of the United States, and promote friendly understanding and appreciation of the United States by encouraging foreign residents to visit the United States and by facilitating international travel generally, and by otherwise encouraging and facilitating travel within the United States (including its possessions for the purpose of this Act).

“SEC. 2. In order to carry out the purpose of this Act the Secretary of Commerce (hereinafter in this Act referred to as the ‘Secretary’) shall—

“(1) formulate for the United States a comprehensive policy with respect to domestic travel;

“(2) develop, plan, and carry out a comprehensive program designed to stimulate and encourage travel to and within the United States for the purpose of study, culture, recreation, business, and other activities and as a means of promoting friendly understanding and good will among peoples of foreign countries and the United States;

“(3) encourage the development of tourist facilities, low cost unit tours, and other arrangements within the United States for meeting the requirements of all travelers;

“(4) foster and encourage the widest possible distribution of the benefits of travel at the cheapest rates between foreign countries and the United States and within the United States consistent with sound economic principles;

“(5) encourage the simplification, reduction, or elimination of barriers to travel, and the facilitation of travel to and within the United States generally;

“(6) collect, publish, and provide for the exchange of statistics and technical information, including schedules of meetings, fairs, and other attractions, relating to travel and tourism; and

“(7) establish an office to be known as the Office of Travel Program Coordination, which shall assist the Secretary in carrying out his responsibilities under this Act for the purpose of (A) achieving maximum coordination of the programs of the various departments and agencies of the United States Government to promote the purposes of this Act, (B) consulting with appropriate officers and agencies of State and local governments, and with private organizations and agencies, with respect to programs undertaken pursuant to this Act, and (C) achieving the effective cooperation of Federal, State, and local governmental agencies, and of private organizations and agencies, concerned with such programs.”

“(2) by inserting before the period at the end of section 3(b) the following: ‘and shall not otherwise compete with the activities of other public or private agencies’;

“(3) by inserting ‘(a)’ after ‘Sec. 4’, and by inserting at the end of such section 4 a new subsection as follows:

“(b) The Secretary may appoint two assistant directors for the purpose of this Act. Such assistant directors shall be compensated at the rate provided for GS-18 in the Classification Act of 1949.”;

“(4) by redesignating sections 5, 6, and 7 as sections 6, 7, and 8, respectively, and by inserting after section 4 a new section as follows:

“SEC. 5. (a) The Secretary shall establish a National Tourism Resources Review Commission. Such Commission shall be composed of 15 members appointed by the Secretary from among persons who are informed about and concerned with the improvement, development, and promotion of the United States tourism resources and opportunities or who are otherwise experienced in tourism research, promotion, or planning. The Secretary shall appoint a chairman from among such members. The Commission shall meet at the call of the Secretary.

“(b) The Commission shall make a full

and complete study and investigation for the purpose of—

“(1) determining the domestic travel needs of the people of the United States and of visitors from other lands at the present time and to the year 1980;

“(2) determining the travel resources of the Nation available to satisfy such needs now and to the year 1980;

“(3) determining policies and programs which will insure that the domestic travel needs of the present and the future are adequately and efficiently met;

“(4) determining a recommended program of Federal assistance to the States in promoting domestic travel; and

“(5) determining whether a separate agency of the Government should be established to consolidate and coordinate tourism research, planning, and development activities presently performed by different existing agencies of the Government.

“The Commission shall report the results of such investigation and study to the Secretary not later than two years after the effective date of this section. The Secretary shall submit such report, together with his recommendations with respect thereto, to the President and the Congress.

“(c) The Secretary is authorized to engage such technical assistance as may be necessary to assist the Commission, and the Secretary shall in addition, make available to the Commission such secretarial, clerical, and other assistance and such pertinent data prepared by the Department of Commerce as the Commission may require to carry out its functions.

“(d) Members of the Commission, while serving on business of the Commission, shall receive compensation at a rate to be fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

“(e) There is authorized to be appropriated not to exceed \$2,500,000 for the purpose of this section.”

“(5) by striking out ‘\$4,700,000’ in the section redesignated as section 7 and inserting in lieu thereof ‘\$15,000,000’; and

“(6) by striking out ‘International Travel Act of 1961’ in the section redesignated as section 8 and inserting in lieu thereof ‘International and Domestic Travel Act.’”

Mr. JAVITS. Mr. President, I thank the majority leader for his great consideration in allowing me to interrupt a quorum call so that I might present this matter.

The bill is sponsored by Mr. JAVITS, Mr. HARTKE, Mr. LONG, Mr. McGEE, Mr. SCOTT, Mr. CANNON, Mr. WILLIAMS of New Jersey, Mr. BRAWSTER, Mr. PEARSON, Mr. BIBLE, and Mr. CLARK.

Mr. JAVITS. Mr. President, there are other aspects with respect to the balance of payments far more pertinent, direct, and meaningful to the cause of the imbalance than the self-defeating interest equalization tax.

One of the great strengths—even political strengths of the United States—until the interest equalization tax came along, was the fact that it was the principal capital market in the world. There is tremendous leverage in that, because foreign nations are deeply concerned about the acceptability of their capital issue by the leading underwriters in the world. We have literally dragged the American underwriting and banking

community down from its pinnacle in the world by assessing the interest equalization tax which does not gain us a great deal in connection with the imbalance of international payments and it costs us so heavily.

Mr. President, for all of those reasons, I believe the measure is counterproductive and ill-advised to be continued. It was originally begun as a temporary measure, and it has now been on the books for 4 years. Now we propose to put it on the books for 2 more years. Unless we accept the amendment of the Senator from Delaware [Mr. WILLIAMS], which I support, it looks as if it will be built in as a constant aspect on the American scene, with its effect on the American banking opportunities.

Mr. President, I ask unanimous consent that an editorial which appeared in the July 19, 1967 issue of the Washington Post entitled "A Mischievous Tax," as well as a June 30 article from the Wall Street Journal entitled "Stock-Tax Dodge," be printed in the RECORD at the conclusion of my remarks.

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

[From the Washington (D.C.) Post, July 19, 1967]

A MISCHIEVOUS TAX

Anyone who doubts that Government efforts to regulate international financial transactions can only lead to a proliferation of mercantilist controls would do well to consider the predictable history of the Interest Equalization Tax.

Adopted as a "temporary" measure in 1963, the IET places stiff levies on foreign stocks and bonds; and by making them less attractive to United States investors, it attempts to stanch one of the outflows of capital that contributes to the balance of payments deficit. But from the very outset this ill-disguised, partial devaluation of the dollar was a source of mischief. When the tax was first levied on stock and bonds, foreign borrowers negotiated long-term bank loans. After the bank-loan loophole was closed, the rise in European interest rates diminished the deterrent effect of the IET, and so the Administration requested broad and unprecedented authority to vary the rates.

Now the Treasury reveals that there is wholesale evasion of the IET by sharp operators. They buy securities abroad, where prices are lower than in this market and attach phony certificates of American ownership. Subsequent transactions between one "American" and another are then not subject to the IET.

The Treasury, confronted by illegal transactions that may be running as high as \$1 billion a year, would require American sellers of foreign securities to obtain a "validation certificate" to show that the IET had been paid. But ways will doubtless be found to evade that rule, especially if the illicit profits to be made are doubled by increasing the IET rates.

The Finance Committee, which votes on the IET today, is confronted with two unattractive prospects. To the extent that the IET is effective, it inhibits the integration of international capital markets and perpetuates the very interest-rate differentials that force foreign borrowers into this market. To the extent that it is evaded, and it surely will be, the IET will engender demands for additional bureaucratic controls. The only correct course for the Committee is a vote to strike down this mischievous tax.

[From the Wall Street Journal, June 30, 1967]
STOCK-TAX DODGE: UNITED STATES FEARS MANY SKIRT 15 PERCENT LEVY ON PURCHASES OF FOREIGN SECURITIES—SHARES INVOLVED MAY TOTAL \$1 BILLION A YEAR; CRIMINALS SEEN PROFITING BY PRACTICE—COLLEGE BOYS, SKID-ROW BUMS

(By Lee Silberman and Norman C. Miller)

An intensive Government investigation is turning up strong evidence that a tax on purchases of foreign stocks by Americans is being evaded on a gigantic—and still growing—scale.

The scheme is complex. It involves dummy accounts in Canada and England, skid-row derelicts, college boys and probably the Mafia. Government officials now suspect the evasion has been going on ever since the 15% tax was enacted in September 1964 to slow the flow of dollars out of the U.S., and they say that it now involves annual stock purchases totaling \$250 million to \$1 billion.

Thus, the Government is being gypped out of about \$40 million to \$150 million in taxes a year, assuming the purchasers would have bought the stock legally had the illegal opportunities not existed. In addition, international rings of crooks are taking as their cut some \$15 million to \$60 million a year.

Top officials of the Treasury Department and the Internal Revenue Service have known that the tax was being evaded to some extent from the very start. But for reasons that can best be described as bureaucratic bumbling Washington officialdom has until recently been ignorant of the size of the fraud.

IS WALL STREET INVOLVED?

Officials still don't know for sure who is masterminding the operation, though Canada appears to be the main center for the illegal activity. One investigator says the scheme is so complex it rivals "a medieval cathedral in magnificence of size and design." And it is said that some Wall Street securities concerns aren't necessarily innocent dupes. It's believed that some traders for big-name firms are at least condoning—if not fostering—the practice, though they remain within the letter of the law themselves.

The tax itself is simple. The law merely provides that if an American buys a foreign security from a foreigner, he must pay a 15% levy to the Government to deter the outflow of dollars caused by his transaction. If he buys the same foreign-company shares from an American, though, he needn't pay the tax—because the dollars involved in the transaction theoretically don't leave the country.

The question, though, is how can the Government tell if a seller of the foreign shares is an American or a foreigner. The Treasury, after conferring with the securities industries, decided that foreign stocks sold by an American had to be accompanied by a "certificate of American ownership," signed and attested to by the seller.

HOW THE SCHEME WORKS

And that's where the crooks come in. They obtain the blank affidavit forms (which are readily available at most of the 60 IRS offices) and then solicit signatures from drunks, derelicts and anyone else needing the \$10 to \$35 that the crooks are willing to pay.

Then they buy the foreign stock abroad—where it sells cheaper than it does in the U.S. because of the tax—and attach the affidavits. The crooks then sell these shares, at, say, an 8% to 10% markup, to small securities firms in the United States. These firms, which must be members of the National Association of Securities Dealers in order for the scheme to work, then sell the stock in the open market in the U.S. at a

price equivalent to the going price in the U.S. Their profit is the difference between the slightly cut rate they paid the crooks for the stock and the U.S. market price.

The securities firms apparently have no trouble reselling the shares to other brokers specializing in foreign stocks. The law provides that only the first American securities firm buying American-owned foreign securities must receive the affidavit. A subsequent purchaser, if a securities firm, doesn't need the affidavit so long as the selling firm is a member of the NASD, which regulates over-the-counter trading.

ENTER THE BIG NAMES

Here is where the big-name securities houses enter the picture. Many traders know which little houses have hot supplies of what stocks, so they can—and, apparently, often do—just phone these little houses and place their orders at the market price or, perhaps, just a shade below it.

Why would a big trader order from a small, unethical house? The answer: Because he is assured of a supply for which he and his firm don't have to bother with the documentation. He receives the stock on a "clean confirmation" basis.

The affidavits are kept on file by the little securities firms that buy the stock from the crooks. When and if the Government audits these firms, it checks the names on the slips to see if these people paid the tax, which is known formally as the interest equalization tax. The person signing the slip—not the brokerage—is responsible for paying the tax. The U.S., however, has a slim chance of collecting millions of dollars from derelicts. Or from the college boys who signed phony papers while on vacation in Nassau not so long ago. Or from the \$4,800-a-year American milkman in Canada who regularly sells his signature.

It would seem that even the little securities firms are within the letter of the law. But that isn't necessarily so. Some of these firms are knowingly buying the stock with the phony affidavits, and they thus are as vulnerable as the suppliers of the affidavits.

They may be more vulnerable, in fact. Even if investigators finally penetrate the maze of screens protecting the masterminds, it is doubtful they will be able to prosecute them. Members of the ring aren't violating the laws of Canada or other countries where they find Americans willing to sign.

Moreover, foreign authorities have little reason to sympathize with the U.S. The interest equalization tax is widely despised by other governments because it has almost choked off their access to new capital in the big New York money market.

"We find ourselves in a very difficult position," says John B. Doran, a commissioner of the Quebec Securities Commission. "There are known undesirables in this scheme, and we don't like that. But we might be criticized (by fellow Canadian politicians) if we showed concern for the enforcement of another country's law." Nonetheless, Canadian authorities and stock exchange officials say they have brought informal pressure on their brokers to turn down suspicious business.

A KEY MAN VANISHES

The whole thing leaves U.S. authorities in a muddle. About all they can do is periodically audit the files of small securities firms suspected of cheating. If they find an inordinate number of "affidavits," they can investigate further. That's what is happening increasingly, and they are turning their findings over to a Federal grand jury in New York.

But so far there have been only two indictments. Last December four men were indicted for evading more than \$7 million of taxes in foreign stock—but the key figure in that indictment has vanished. In February 1966, an indictment was handed up against Stone, Ackerman & Co., a New York over-the-

counter firm, charging the evasion of \$522,160 of taxes. The firm and two cited officials deny the charges.

There are maneuverings on the selling side that are just as complex as those on the buying side. The Canadians or others who sell the stock to the small U.S. securities firms get their own supplies through dummy accounts in various nations. These dummy accounts, which are used to conceal the identity of the real buyer, purchase the shares on various markets throughout the world.

Vast sums of money are required to finance these purchases. Since the criminals behind these dummy accounts understandably prefer not to deal with banks, they frequently turn to loan sharks. Although the identity of the loan sharks isn't known, it is assumed they have Mafia ties.

LOST IN THE BUREAUCRACY

Ironically, top officials of the Treasury and Internal Revenue Service believed for some time that the interest equalization tax was working smoothly precisely because they were not collecting much revenue. In more than three years, only \$54 million in taxes was paid by Americans buying foreign securities from foreigners, and officials tended to regard this low total as evidence that they had succeeded in discouraging purchases.

The warnings sent repeatedly to Washington by investigators in the field apparently were lost in bureaucratic pigeonholes. For one thing, IRS officials, many of whom don't understand the intricacies of the stock market, simply didn't grasp the potential for profiteering by evasion.

At the Treasury, officials were concerned with the balance of payments, and the tax seemed to be working for their purposes. So they ignored warning signs. Workers at the Securities and Exchange Commission possessed the stock market savvy—but they lacked direct jurisdiction over tax problems.

Now that the dimensions of the evasion scheme finally have caught the attention of top-level officials, their underlings are struggling into action in all-but-desperate attempts to avoid taking the rap.

THE OPPOSITE EFFECT

Ironically, the tax law so far has had just the opposite effect on stocks of what was intended. It has actually worsened the U.S. deficit in the balance of payments. When the tax was first enacted, the price of many foreign-owned foreign stocks fell about 15% below the price of the same stocks held by Americans, reflecting the new tax.

But as the crooks began to flood the U.S. market with foreign stocks bought at the discounted foreign price but intended for sale at the higher U.S. price, the U.S. price of these stocks began to fall, too. In effect, the price differential became whatever the crooked suppliers thought the traffic would bear. At the moment, it generally is 8% to 10%.

This lower price, coupled with a general decline in stock prices abroad, has made some foreign stocks look like bargains to U.S. investors, so they have been turning increasingly to them—sending their money outside the U.S. and hurting the balance of payments. Federal officials who keep track of the balance of payments—which is the difference between the amount of money the U.S. spends, lends and gives away abroad and the amount it takes in from foreigners—have been bewildered by the international securities figures.

After three quarters in which Americans had been net sellers of foreign securities, in this year's first quarter they become net buyers. Of course, it is impossible to say to what extent this change has been prompted by the tax-evading scheme.

ADDING TO THE PROBLEM

Government officials have unwittingly prompted an increase in the evasion in recent months. The House has passed an Ad-

ministration-sponsored bill that would increase the tax to 22½% from 15% and the Senate has been expected to approve the increase routinely. Under the House bill, the rise would be retroactive to Jan. 25.

The differential between the U.S. and the foreign prices of some stocks has widened in recent months on the assumption the bill will be passed. This has allowed the illegal suppliers to increase their markup—and take more money out of the U.S.

Mr. JAVITS. Mr. President, for all of those reasons, I am opposed to the bill, and I shall support the amendment which is proposed.

Mr. President, I yield the floor.

Mr. LAUSCHE. Mr. President, I concur in the remarks which have just been made by the senior Senator from New York.

I think the Achilles heel of our Government is the weakness in which we find ourselves through the annual adverse imbalance of payments by our country. This subject has been discussed and it has been reiterated.

It has been pointed out that since 1957, when the total treasury of gold was about \$23 billion, the amount has dropped to \$13.5 billion. In 1957 we had short-term foreign creditors to whom we owed about \$15 billion. In 1967 those short-term creditors of foreign nations have credits that we owe to them of \$30 billion.

We have taken the silver out of our coins. We have taken the gold support out of the fortification of the deposits made by the Federal Reserve Banks in the Federal Reserve System. It is now recommended that we remove the gold support from the paper Federal Reserve notes that are issued by the U.S. Government.

If one will look into his pocket and find a \$10 bill, he now knows that that paper is secured by 25 percent in gold. It is proposed to remove that 25 percent support of the currency with the gold that we have.

I merely point out these figures to establish the grave problem confronting us without people of the Nation recognizing it; that our paper currency will soon be without substantial gold support.

Mr. President, I made the statement a moment ago that in 1957 the short-term creditors in foreign countries, who had the ability to demand payment of their credits in gold, amounted in the aggregate to \$15 billion. Today that amount is \$30 billion. In 1957, we had \$23 billion in gold in the Treasury. Today we have \$13.5 billion.

Mr. President, the question is: What would happen if there were a flight of confidence in the American dollar and our short-term foreign creditors ask for the payment of \$30 billion in short-term debts, when we have only about \$8 billion of free gold to meet it?

I stated a moment ago that I subscribe to the argument made by the Senator from New York. We have been talking about this subject, but we have not taken any action that is realistic and sound to solve it. The interest equalization bill is one of them. It is an inconsequential part of the remedy that is needed.

The President has called upon the U.S.

investors in foreign enterprises to voluntarily impose restrictions in making investments. There has been a favorable response to that request. He has called upon the banks to quit buying foreign bonds, thus sending American dollars into foreign countries and further endangering the stability and value of the dollar.

The lenders of our Nation have responded favorably to that course. But the query is: How long shall that voluntary restraint continue? Cracks are already beginning to appear in the program.

The Senator from New York mentioned that one of our gravest losses of dollars comes from the fact that more dollars are spent by American tourists in foreign countries than are spent by foreign tourists coming to the United States. My understanding is that \$2.1 billion more is being spent by Americans in foreign countries than by foreign tourists in America. The tourist outflow of dollars is one of our great difficulties.

I believe it was 4 years ago that I stated on the floor of the Senate I thought the principal service which could be rendered with regard to the loss of American dollars by American tourists going abroad would be a well-publicized program urging Americans to see America.

But, what is the situation today?

Every day we read in the newspapers about our leading citizens leading the way as tourists to foreign nations. I shall not identify those who are setting the example. But, do we not have enough historic shrines here, enough places of geographic interest, enough places reflecting the heroism of American boys on the battlefield, for Americans to want to visit their own country and thus help solve the imbalance in payments?

The appropriation of moneys allocated to the agency of government in the Commerce Department which has the responsibility of promoting the program of inviting tourists from abroad to come here is inadequate, that we are spending less than Ireland, Canada, Greece, India and other nations in trying to induce foreign tourists to come to our shores. The amount we are giving to that agency which was established, I believe, in 1963, is inadequate. But over and above the effort to bring foreign tourists to America, it would seem to me that our energies should be directed towards acquainting the American people with the imminent danger confronting the American dollar and urging them to stay within the boundaries of the United States and spend their tourist money.

Mr. President, what have we done to protect the American dollar and prevent its immediate collapse?

We have begged our foreign debtors to advance payments on the long term debts they owe us. We have begged our foreign purchasers to make advance payments on the contracts which they make for the purchase of goods even before those goods are delivered to the buyer. Our balance with respect to sales—that is, sales of American goods to foreigners and the purchase of foreign goods by Americans—has shown approximately a \$5 billion favorable balance to the United States.

I repeat that: The balance as between exports and imports shows a favorable balance to the United States of \$5 billion. But that favorable balance is being reduced. It is being reduced primarily because of our inability to compete with foreign vendors in the sale of American goods. I do not know yet what the Kennedy round agreement will do but on the basis of what I heard, no confidence should be placed in the Kennedy round that it will improve our imbalance of payments.

Mr. COOPER. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. COOPER. The Senator mentioned efforts made to secure advance payments on contracts and advance payments on debts. Let me mention to the Senator that we have also resorted to another effort to secure payments, and that is through arms sales.

Mr. LAUSCHE. Yes; the Senator is correct. The argument has been made that if we sell more arms we will get back more dollars.

The answer to that argument is: Shall we become the principal arms seller to the world, selling to countries who are in bitter conflict with each other and finding them eventually at war, with the question being asked. Who supplied the arms?

We have also taken the step in our foreign aid program to give money to foreign countries provided they use it to buy American goods.

There have been a number of other steps taken, but I say to the Senator from Kentucky that my final thinking is, none of these remedies lead to a solution of the problems that we have.

Why did we take the silver out of coins? Why did we take the 25-percent support from bank deposits in the Federal Reserve? Why are we now going to take out the 25-percent support on paper dollars?

Mr. MILLER. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield. You answer the questions, Senator MILLER.

Mr. MILLER. The Senator well knows that I agree with much of what he has been saying. Earlier this year, at a hearing of the Joint Economic Committee, I asked the Secretary of the Treasury whether there were any plans afoot to come over and ask Congress to take off the 25-percent cover from our Federal Reserve notes. The answer of the Secretary of the Treasury was that there were no such plans to do so.

I thought the Senator might like to know the answer the Secretary of the Treasury gave during the hearings of the Joint Economic Committee.

Mr. LAUSCHE. I thank the Senator. Let me add to that, that the Senator from Indiana [Mr. HARTKE] has introduced a bill to remove the 25-percent gold support on the paper currency that we have. McChesney Martin, to my great surprise, has supported him. I cannot understand the support of McChesney Martin except that he finds himself in a most desperate situation and concludes that "Though I do not like it, it is the only thing we can do."

Mr. MILLER. May I suggest that, in

light of the testimony before the Joint Economic Committee, we might expect the Secretary of the Treasury to oppose the Hartke bill. I hope he will.

Mr. LAUSCHE. I doubt that he will. With McChesney Martin supporting it and Senator HARTKE presenting it, I anticipate that Fowler will have to go along with it.

Mr. MILLER. Surely the Secretary of the Treasury would not change his mind so rapidly on planning to ask Congress to repeal the gold cover.

Mr. LAUSCHE. When water begins to run down his throat, he cannot help but begin to gulp.

Mr. MILLER. One way would be to repeal the gold cover contrary to the commitment. The other would be to do something about deficit spending the Government has been engaging in through the years. I know the Senator from Ohio agrees with those of us who have advocated stopping deficit spending. Unfortunately, we have been voices crying in the wilderness. But the day of reckoning is coming.

I noticed in the press reports that the President has issued a directive to several agencies to impound a goodly amount of their appropriations. If Congress does not have the willpower to cut down on domestic spending, the only hope is for the President to take action. I hope that will be forthcoming. That would be the better route to take than to repeal the gold cover and then let the printing presses pour out cheap money. I know how strongly the Senator feels about it, but I do not think we are necessarily forced into that unpleasant position.

Mr. LAUSCHE. I regret to state that I am of the feeling that we are beyond the point where we can avoid damaging results. It is a fact that we have had deficit operations for 27 out of the last 33 years. The foreign creditors, who have \$30 billion of callable obligations, will be watching how we continue to operate on a deficit basis. If they see no retrenchment in spending, we can expect them to begin to call for the payment of their debts in gold and not in paper dollars.

I may say to the Senator from Kentucky [Mr. COOPER] that there is another phase of this subject which should be mentioned. The Treasury Department has completely changed the method of keeping its books. It considers as national obligations of the United States to foreign creditors only these dollars that are held by the central banks of the foreign nations, and not the dollars that are held by individual enterprises. It tries to find solace in the fact that only the dollars held by the central banks are callable in gold. The truth, however, is that every dollar held by an enterprise or individual in a foreign country can be turned over to the central bank and the aggregate demands held in the possession of the central bank thus increased.

I spoke of the Achilles heel. I point out that our gravest and most painful weakness now is the racial riots. We have civil insurrection. We have rebellion and civil war, and we seemingly refuse to recognize it. In my judgment, our problem economically is going to come when we have to face up to the tremendous

decrease in our gold reserves and we are faced with the tremendous increase in obligations to foreign creditors and the inevitable result that, because of the South Vietnamese war our deficit will grow.

Mr. MILLER. And inflation will grow with it.

Mr. LAUSCHE. Yes. Talking about inflation, in Cleveland the building craftsmen have been granted a 40-percent wage increase—I did not say 4 percent; I said 40 percent—over a three-year period. That would mean 13⅓ percent a year. The statement was issued that the cost of building a school in Ohio will rise by 25 percent this year. If the building craftsmen are getting an increase of 13⅓ percent a year, what chance is there for an ordinary individual with an ordinary income ever buying a house?

Rent subsidies are asked for. Rent subsidies to go to whom? The present wage is \$5.20 an hour. With that 40 percent increase, it will be about \$7.30 an hour. It will cost about \$58 a day to hire a plumber or painter or bricklayer to work on one's house. Who is going to provide the houses with that situation? The Government and the taxpayer. That should not be.

Mr. President, I shall vote for this measure, but I think it is just a picayune, inconsequential, meaningless instrumentality in attempting to solve the grave problem confronting the people of the United States because of the constant adverse imbalance in payments in our international relations and its consequent outflow of our meager gold possessions.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. LONG of Louisiana. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. There is not a sufficient second.

Mr. WILLIAMS of Delaware. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. WILLIAMS of Delaware and Mr. LONG of Louisiana requested the yeas and nays.

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

THE DETROIT RIOT

Mr. GRIFFIN. Mr. President, following President Johnson's order, which was finally issued shortly before midnight last night, sending Federal paratroops

into the riot-torn Detroit area, a state of relative calm has been restored. Everyone hopes and prays that this is not merely a daylight lull before another storm.

Earlier today, some reference was made to the chronology of President Johnson's action last night. In the afternoon editions of Detroit's only afternoon paper, the Detroit News, the following story appears:

The Presidential order to use federal troops followed by 15 minutes a telephone call to the White House in which Rep. Charles Diggs, Detroit Democrat, threatened to go on television and denounce the President for "playing politics" unless he acted.

The incident was reported by negro leaders this morning, and was, in essence, verified by Diggs.

"I outlined the situation in pretty strong language," he said.

"The situation was obviously out of hand. That was admitted by the Governor and the Mayor, and Representative John Conyers had issued a statement saying the same thing. Still Washington was hanging back."

"It was obvious that there were political implications. Governor Romney did not want to expand the use of the National Guard. As I understand it, he had more guardsmen available, but the best trained units were already in Detroit and he was afraid as to what might happen if he brought in units that were not so disciplined."

"I certainly agreed that it would have been awful to start injecting unsophisticated people into this fight."

"It should have been obvious to everybody we needed federal troops right then. I told the White House that in very strong language and, whether or not I had anything to do with it, I got a phone call back in 15 minutes saying the President was going to move."

Mr. President, I commend President Johnson for finally taking action. I believe, without seeking to characterize his motives, that it was unfortunate such a considerable period of time elapsed between the time the Federal troops actually arrived at Selfridge Air Force base—about 3 o'clock in the afternoon—and the time President Johnson actually decided to issue the order sending troops to the riot scene. During that period of time, as might have been expected, additional lives were lost, property damage mounted, and rioting and looting continued. In the morning hours today, we found that because of this riot, which has raged 48 hours, 24 people now lie dead and property damage is in the hundreds of millions of dollars.

We are holding our breaths, hoping that the worst is over.

Because some reference has been made to chronology, I wish to add this: As I understand it, in the very early hours of Monday morning, the Governor of Michigan, Mr. Romney, and the Attorney General, Mr. Ramsey Clark, held conversations, and it was Governor Romney's understanding that upon request, Federal troops would be sent in if needed.

Later in the morning, shortly before 10 a.m., the Governor's office learned from the office of the Attorney General that certain statutory requirements would have to be met. There followed a long telegram from Governor Romney to Attorney General Clark and President Johnson. I ask unanimous consent that

the wire from Governor Romney to President Johnson, which was sent between 10 a.m. and 11 a.m. Monday, July 24, and the telegram in response from President Johnson to Governor Romney, which according to United Press International was sent at 11:42 a.m., be printed in the RECORD at this point.

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

WIRE FROM GOVERNOR ROMNEY TO THE PRESIDENT

With further reference to present Detroit problem covered in my earlier telegram to the Attorney General.

As Governor of the State of Michigan, I do hereby officially request the immediate employment of Federal troops into Michigan to assist State and local authorities in re-establishing law and order in the city of Detroit. I am joined in this request by Jerome P. Cavanagh; mayor of the city of Detroit. There is reasonable doubt that we can suppress the existing looting, arson and sniping without the assistance of Federal troops. Time could be of the essence.

GEORGE ROMNEY,
Governor of Michigan.

TELEGRAM FROM THE PRESIDENT TO GOVERNOR ROMNEY

In response to your official request, joined by Mayor Cavanagh, that federal troops be sent to assist local and state police and the 8000 Michigan National Guardsmen under your command, and on the basis of your representation that there is reasonable doubt that you can maintain law and order in Detroit, I have directed the troops you requested to proceed at once to Selfridge Air Force Base, Michigan. There they will be available for immediate deployment as required to support and assist police and the Michigan National Guard forces. These troops will arrive at Selfridge this afternoon. Immediately, I have instructed Cyrus Vance, Special Assistant to Secretary of Defense McNamara, to proceed to Detroit for conferences with you and to make specific plans for providing you with such support and assistance as may be necessary.

LYNDON B. JOHNSON.

Mr. GRIFFIN. Governor Romney was advised, following the sending of the telegrams, that troops would be dispatched to Selfridge Air Force Base and would be held there pending further orders by the President. The Governor's office was advised that Mr. Cyrus Vance, a special assistant to the President, would arrive in Detroit at 2 p.m. to confer with the Governor and with Detroit officials. Actually, Mr. Vance arrived at approximately 4:30 p.m. It was immediately apparent to those at the scene that Mr. Vance did not intend, or was not ready, to commit troops when he arrived at 4:30. He spent from 5 p.m. to 7 p.m., approximately, on an inspection tour. At 7, he met with Negro leaders in the Detroit area, most of whom urged him very strongly to recommend to the President that the troops be sent in immediately.

As dusk fell at 8:30 p.m., Mr. Vance was still reappraising the situation. At 10:30 p.m., some of the troops were finally moved from Selfridge Air Force Base to the State fairgrounds. It was not until after President Johnson took to the air waves shortly before midnight, however, that the troops were finally called into action.

Mr. President, in some ways the situa-

tion yesterday is reminiscent of a situation 24 years ago, the last time Federal troops were dispatched, at a Governor's request, to assist in putting down a riot—which also occurred in Detroit.

On that occasion, it took about 11 hours to move Federal troops into action, even though they were already in place in the Detroit area. The 728th Military Police Battalion was actually in River Rouge Park, and two provisional military police battalions were at Selfridge Field.

In their book, "The Detroit Race Riot—A Study in Violence," Robert Shogan and Tom Craig, point out that Detroit authorities—at that time Mayor Jeffries and Police Commissioner John Witherspoon—had thought they had firm assurances from military authorities and the Federal Government concerning a plan for the use of Federal troops if needed.

When the situation demanded it—

Said Mayor Jeffries—

I was to ask the Governor for troops. The Governor was to phone the military commander of the Sixth Service Command in Chicago. He was to give the order by phone to Colonel Krech in Detroit, and Colonel Krech was to bring the troops in.

The authors proceed to recount how, on that occasion, there was a delay: some 11 hours elapsed before the troops were actually put into service, despite the fact that they were standing by, trained and equipped.

Mr. President, some reference has been made on the floor to the competency of the Michigan National Guard.

The Michigan National Guard, which I had the opportunity to review at Camp Grayling in Michigan only last Saturday, is a very efficient and effective military force.

They were unable to cope with the situation in Detroit not because of any lack of competency, but merely because of lack of numbers and the fact that this particular riot spread out over such a very large area.

The assigned strength of the Michigan Guard is 12,167, which includes 9,988 Army guardsmen and 2,179 air guardsmen. Approximately 8,000 Army guardsmen were mobilized late Sunday and arrived on the scene in Detroit on early Monday.

Thus, of the 9,988 Army guardsmen, 8,000 were sent into the turbulent city. The remainder of the Army guardsmen were either in high-priority air defense units or stationed out of State in the performance of their 6-month active training duty.

Furthermore, it is significant to recall that Detroit is not the only city in Michigan which, unfortunately, has been struck by riots.

Of the 8,000 guardsmen sent into Detroit, approximately 5,000 had been in field training status at Camp Grayling at the time of their mobilization. The remaining 3,000 had performed their field training during the month of June.

Mr. President, to put the situation in perspective, the riots last week in Newark and 2 years ago in the Watts area of Los Angeles each lasted 5 days. The

riot in Detroit has so far lasted only 2 days. But Detroit has suffered more devastation than occurred in either of the other two cities.

It is remarkable—thank God—that the most important statistic, that of people killed, is at this time only one more than the number of deaths that occurred in Newark.

In Watts, 34 persons were killed in 5 days. In Newark, 23 persons were killed in the same length of time. Twenty-four people have been killed in Detroit—but in a period of 48 hours.

In Watts 1,032 were injured. About 1,200 were injured in Newark. The total in Detroit is already 1,500 persons.

In Watts 3,927 people were arrested. In Newark, about 1,600 people were arrested. In Detroit, there have been 2,100 arrests so far.

A President's Crime Commission Task Force report on "Crime and Its Impact—an Assessment" recites that in Watts, 200 buildings were destroyed, 720 more were looted or damaged, and \$40 million worth of property was destroyed.

In Newark, the total estimated damage was much lower—something in excess of \$15 million.

The property damage in Detroit in the last 2 days, according to estimates, is moving toward \$200 million.

California's 13,400 National Guard troops in Watts supplemented some 1,000 State and local officers there for a total of something under 15,000 men to quell a riot in a city of 2,479,000 population.

In Newark, with a current population of about 400,000, 1,700 State and local police were joined by 3,000 National Guardsmen, for a total of 4,700.

In Detroit, a city with a population of 1,670,000, according to the 1960 census—or a city four times as large as Newark—there were 10,000 Michigan-based men when the 1,500 active and 3,200 standby Federal troops arrived.

I recite these figures only to put the Detroit riot in perspective so that it might be better realized why, although Governor Romney and Mayor Jerome Cavanagh had done everything possible and used every law enforcement resource at their command, they found it necessary to call for Federal assistance.

I hope that my report will not have to be supplemented with similar statistics tomorrow. I hope that we can begin the job of rebuilding and restoring the great city of Detroit.

I intend to leave later this afternoon to go to Detroit for an inspection tour and to be on the scene tonight. I hope that we will not see any more violence take place in that city.

Mr. HART. Mr. President, we all hope that we shall see no more violence tonight.

The first order of business is to assure that all action necessary to reestablish law and order in Detroit and Michigan is taken and taken in time. We will then consider the agonizing problem of reconstruction and the reestablishment of normal relations.

I have been in constant contact with the White House, as I am sure that my distinguished junior colleague has been.

Let me report from the President him-

self that he issued the order to put the Federal troops on the streets promptly upon receiving recommendations from those Federal officials on the scene who were responsible for making that decision.

I hope that their judgment as to the appropriate time to do so was sound.

As my junior colleague has said, following the riot in 1943, experts evaluated that situation and filed an opinion.

I hope, when law and order are reestablished, that such an objective evaluation of the evidence will occur and a judgment reached as to the soundness of the decisions made.

However, I have the feeling that making that judgment at the height of an emotional crisis is not the most prudent thing to do.

The very first obligation of society is to protect each individual in that society.

What has happened in Detroit, as I have heard, is mindless mob action of the worst irresponsible sort, devastation beyond one's imagination, callousness, cruelty, and, in terms of the consequences, action of incredible stupidity. For who will suffer the most? It will be the men and women in the core of Detroit.

Let us get law and order reestablished.

I have asked the President for swift transportation to Detroit, and have asked my junior colleague to accompany me in order that we can get there while there is as much daylight as possible so we can personally survey the devastation that has occurred. More important we should make sure, so far as we can, that Federal troops in the number required and the Federalized National Guard are on the streets of Detroit to protect and reassure our citizens.

While, as I understand, the decision was made not to bring the Detroit Police Department under the command of General Throckmorton, inquiry should be made as to the deployment of the police. I hope—and I believe—that we will discover that all elements are deployed fully. If they are not, then we should make very clear that anything less than full deployment fails the expectations of all Americans.

The danger is that our visit will be misunderstood and might contribute to confusion and turmoil, rather than contribute to reestablishment of tranquility. We have made our judgment that, on balance, it is clear that we should go.

As I have said, I have been told by the President that once Mr. Vance; the Deputy Attorney General, Mr. Christopher; General Throckmorton; Roger Wilkins of the Federal Community Relations Service and the representatives of J. Edgar Hoover had concluded that the introduction of Federal troops and the federalization of the Guard were in order, the President signed the order.

But in addition to subsequent evaluation of the sequence of events, historians will remind us of something of which we should be acutely aware at this moment: Whatever our emotional reactions may be, let us remember that it was not a group that was responsible for what happened at Detroit. There was an individual who threw a rock; there was a par-

ticular person who fired a gun; there was a hand attached to a particular individual who reached in and stole whiskey. Not everybody west of Woodward or everybody east of Woodward did it.

Let us discipline ourselves to recognize that the judgment we want passed on ourselves—namely, am I a good or a bad citizen, in terms of my individual conduct?—must be accorded by each of us to everyone else. For everyone has the right to demand that this type of individual judgment be made with respect to him. We must have none of this business that everybody who spells his name a certain way, or bears a certain color that God gave him, or who goes to a particular church, or who lives on a particular side of the railroad tracks, is guilty. Our judgments in this situation, as in every other, must be based on the individual conduct of a particular person. And when the particular person whose conduct is in violation of law is identified, whether he is black, white, or pink, the law should take its course—and promptly. If we miss this point, we shall delay still further the development of a community where such lawlessness will not occur.

There is this lesson of history that we need not wait for historians to remind us of, which is critically important at a moment such as this.

In Detroit, one fact is clear about the nature of the violence. This was not a civil rights demonstration under any kind of definition; it was massive criminal action.

Indeed, if I could say it without appearing to be glib in a tragic situation, Detroit saw integrated looting. There was a lawless man, a couple of lawless men—four in one situation—looting a store. I do not know how they spelled their names, or where they went to church, or what side of the railroad tracks they came from; but two were white and two were black.

I hope that when Senator GRIFFIN and I return, we will be able to report a quieter night.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. LONG of Louisiana. May I express my sympathy to the distinguished senior Senator from Michigan and the distinguished junior Senator from Michigan with regard to the regrettable events that have occurred at Detroit.

It seems to me, and I believe to most of us, that with regard to a tragedy of this nature, as the Senator has so well stated, we do better to make judgment on who is to blame, who is not to blame, and what society at all levels can do about it, after we have had an opportunity to analyze the tragedy, and to study it in calmer times.

May I say to the Senator that he will find, when he makes his trip to his State, as I found when disasters had hit the State of Louisiana, that there is really not much he can do about it. He will be able to report back. I believe he will find that those who are in charge are doing the very best they can with a difficult and unfortunate situation.

When the junior Senator from Michigan issued the statistics on the property

damage in Detroit—approximately \$200 million—it brought to my mind a recent disaster in Louisiana—Hurricane Betsy—in which the property damage was upward of \$1 billion, which, by property damage standards, is much greater. The loss of lives ran into several hundred.

Prior to that, we were caught by surprise in the western section of the State, when Hurricane Audrey brought great disaster—not nearly as great property-wise, but over 400 people were killed.

When events such as these occur, we must think in terms of first things first. I believe the Senator will discover that insofar as the Federal Government is concerned, it is doing the best it can with the disaster in Detroit; and I believe that on hindsight he will find that we have reason to be grateful for our Federal Government and its agencies, in the way they react to disasters such as these. This is a different type of occurrence than a tropical hurricane, but I remind the Senator that the deaths in those tropical hurricanes exceeded by hundreds the number that were caused by the riots in Detroit.

Although tens of thousands of people were displaced from their homes, the help we received was immediate, sympathetic, and beneficial. Without it, many more people would have suffered needlessly, and many more would have died.

I believe the Senator from Michigan will find that the Federal Government, so far as it is concerned, will do a good job of helping the citizens of Detroit and of Michigan through this trying period. Very little was left to be desired in the assistance that came to us from our Federal Government when those two tragic disasters struck the State of Louisiana.

We may talk in days to come about what can be done at all levels of government—indeed, at all levels of society—to try to prevent occurrences of this nature in the future. I believe it will be found that the civil defense and the armed services are doing everything they can to assist the State of Michigan to quell the disturbance and to solve the problem. I hope that when the Senator returns to his State, he will find that the rioting has subsided and that law and order have been restored.

Mr. HART. I thank the Senator from Louisiana.

THE FOUR BARDHA BROTHERS OF DETROIT

Mr. HART. Mr. President, we sometimes let ourselves be convinced that the days of "America, land of opportunity," are over and that the journey from the bottom to the top is almost impossible to travel in as dramatic a way as formerly.

On July 6 of this year, the Detroit News published a story about the four Bardha brothers, penniless immigrants from Albania 10 years ago and today successful businessmen with their own homes. Their years of frugal living, hard work, and training have paid off.

This modern Horatio Alger story is good medicine for all of us. I ask unanimous consent that it be printed in the RECORD.

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

BROTHERS STYLE A SUCCESS STORY (By Luise Leisner)

Many Horatio Alger success stories seem dull in comparison to the rise to prominence of four Birmingham businessmen, who were penniless refugees just 10 years ago.

The four Bardha brothers, whose high fashion beauty salon at 911 Haynes in Birmingham attracts more customers daily than their large staff of stylists can accommodate, arrived in Detroit with big dreams but empty pockets in 1957, after fleeing the Communists in their native Albania.

They have since made good a promise to their widowed mother who reluctantly came with them: That they would buy her a lovely home in the land of freedom and help her forget the nightmare of three years in crowded refugee camps.

They also have their own homes, a \$200,000 salon in Birmingham and are about to open a branch salon in Southfield's plush North Park Towers.

Eric, 34, business manager for the Bardha team, credits determination and hard work for their success.

"When we arrived in Detroit, we had little more than the price of a telephone call to our uncle, who worked in a restaurant in Wayne," he reflected.

They also owed \$2,000 to a relief agency for their passage to the United States.

Within a few days, all had jobs and, by living frugally and pooling their wages, were able to pay off their debt six months later.

Eric, then 24, was employed in a factory; 20-year-old Agim worked in a florist shop; Niaz, 29, and Myfit, 22, found jobs in a car wash and restaurant.

"Niaz, Myfit and I were satisfied with our jobs and content just to be together," said Agim. "But Eric had great ambition, not just for himself but for all of us."

Eric detested factory work. He had attended the Bavarian Beauty School in Munich, Germany, for a short time and his goal was to become a hair stylist.

He worked days in the factory and enrolled in night classes to complete training as a beautician. After getting a job in a beauty shop, he encouraged Agim to begin similar studies.

"He convinced me that someday we would be partners in a fashionable shop of our own," said Agim. "It was a fascinating dream for a couple of young foreigners who had never been off our farm in Albania until we escaped across the border into Greece."

When Agim received his diploma, he and Eric approached their idol, the coif stylist Nino, and asked for jobs in his Birmingham salon.

"He didn't want to hire two inexperienced brothers," said Eric. "We told him we would stay at least four years and work very hard for him."

Four years later, Eric and Agim were given a party by their boss prior to launching their own salon on Haynes street.

"Friends who had laughed at our penny-pinching were impressed with our building and all of the going without seemed worthwhile," said Eric.

"I had driven an old rattletrap of a car and we had saved our money with a vengeance for so long it seemed wonderful to splurge on the best of everything in furnishing our salon," he added.

Eric's crusade for beauticians in the family also was joined by his wife of eight years, Lumteri. They met in the Detroit Albanian community, where she had lived since childhood. Except for brief intermissions during the birth of her three children, she has worked at her husband's side.

The immediate success of their venture

prompted Eric and Agim to lure their other two brothers into the business.

Niaz and Myfit were moderately successful partners in a painting and decorating business. Both had married Albanian girls and had families and were unhappy about the seasonal slumps of their trade.

"We are as enthusiastic now as the other two about hair styling," said Myfit.

Agim, the only bachelor of the Bardha brothers, lives with his mother, Mrs. Bule Bardha.

Mrs. George Romney is among their "regulars," which also includes a host of secretaries and housewives.

"We've come a long way from the refugee camps in Greece and Germany," said Eric. "This is truly a land of opportunity."

PROGRESS IN THE WAR ON POVERTY

Mr. HART. Mr. President, wars are undertakings so large with instances of failure, and examples of stupidity are to be found in the most successful of them. On occasion we have had examples of failures in our war on poverty, reported in sharply critical terms. I hope where the criticism is valid, that the responsible agency takes the action which will avoid repetition of such mistakes. Congress, too, should learn from such lessons. Examples of success in the war on poverty are always less exciting, less dramatic, harder to sell in terms of praise and public attention. It is always the turmoil and strife which gets the headlines, but the truth is that there are many more examples of men and women cooperating with each other in seeking to improve our society. I think this is the case in the war on poverty. The success stories are the more frequent, though less exciting.

Last Saturday night I had the privilege of sharing in the culmination of one dramatically successful effort in the war on poverty. I attended the graduation exercises of the Area Training Center at Northern Michigan University, at Marquette, Mich. It celebrated the fifth anniversary of the Center.

The Center has trained more than 1,650 unemployed, underemployed, or undereducated men and women, almost all of whom have been placed in jobs. This success story is reported and its healthy implications analyzed in the editorial of the Mining Journal of Friday July 21, 1967.

Because I believe it is important, indeed it is essential, that our successes in these efforts to help Americans help themselves, which is labeled the "war on poverty," be known, I ask unanimous consent that the editorial be printed at the conclusion of my remarks in order that it may have widespread national attention.

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

(See exhibit 1.)

Mr. HART. Mr. President, at the graduating ceremonies, I congratulated Northern Michigan University on its willingness to sponsor and lend its academic prestige and leadership to these programs, and I would like to repeat this here for the RECORD. I congratulated also the men who put 11 months as students into the training program, and their families for encouraging them to

do what in many cases must not be easy—going back to school after a good many years away from the classroom discipline. In reading their names, one is struck by the fact that they are drawn from most of the nations which have contributed their sons to the growth of this land. I ask unanimous consent that their names be printed in the RECORD.

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

MACHINE SET-UP OPERATOR

| | |
|----------------------|----------------------|
| John M. Bellaire | Chester M. Karney |
| Richard J. Bellaire | Edward J. Karney |
| William R. Bellaire | Michael R. Lumukkka |
| Alfred W. Borchers | Gerald L. Lundin |
| Lloyd R. Brannstrom | Albert E. Marohnic |
| Alex B. Cameron | Larry J. Metz |
| Chester E. Dahl | Robert J. Pangrazzi |
| James J. DePotsie | James T. Pascoe |
| Raymond L. Durocher | Phillip L. Passamoni |
| Wayne C. Fleming | Renwood W. Pillarski |
| William J. Germain | Kenneth W. Quinnell |
| David C. Hudson | David J. Rautanen |
| Robert P. Illikainen | Robert F. Ristanen |
| Gary J. Jaakola | Domenic Signorin |
| Ralph R. Jaasko | Robert S. Swienty |
| Lawrence W. Jandron | Richard J. Teigen |
| Gerald D. Johnson | Dennis D. Valenti |
| William A. Johnson | George Williams |

AUTOMOTIVE MECHANICS

| | |
|----------------------|---------------------|
| John J. Bouillion | James A. Negrinelli |
| George E. Curtis | Bruce A. Olson |
| John E. Demaray | Leonard C. Peterson |
| Gerald R. Duschaine | Alfred G. Rowledge |
| Larry J. Elsner | Albert F. Ruby |
| Donald J. Fletcher | Thomas P. Silver |
| John A. Gallo | Bruce A. Slescho |
| Robert F. Gilbertson | James S. Stewart |
| Wilbert H. Grawlen | Dennis J. Turner |
| Alvin J. Laurin | Joseph P. Urbis |
| Ernest L. McKinsty | Lauri L. Waisanen |
| Ivan N. Mohn | |

AUTO BODY REPAIR

| | |
|--------------------|-------------------|
| Wesley R. Aho | Robert W. Harris |
| Michael T. Blahnik | David B. Jacobson |
| Dow C. Cribb | William O. Lahti |
| Gary L. Edwards | John E. Lemire |
| John G. Fair | Glenn D. Matheson |
| James W. Feltner | Daniel H. Ostwald |
| Theodore I. Hammar | Gary J. St. John |

WELDER, COMBINATION

| | |
|-----------------------|----------------------|
| Wayne E. Anderson | Johannes L. Hurkmans |
| Thomas P. Ball | Gerald A. Johnson |
| Sylvester A. Barbeaux | Eugene J. Joslin |
| Robert M. Bozile | Richard L. Kaiser |
| Robert A. Bruning | Peter E. LeClaire |
| Colby M. Cousineau | Sumner V. Lee |
| John W. Crafard | Karl E. Reed |
| Marston R. Croff | Robert E. St. Andrew |
| John J. Domzalski | Charles R. Sandstrom |
| Edward Garcia | Eugene L. Williams |
| Richard T. Gustafson | Douglas D. Wilson |
| Axel J. Harju | Gregory D. Wollangur |

ELECTRICAL APPLIANCE REPAIR

| | |
|--------------------|--------------------|
| Andrew P. Aho | Richard W. Laituri |
| William Besaw | Gustaf O. Linja |
| Jack S. Brown | William J. Mellon |
| Arnold W. Jenks | Edward A. Parkkila |
| David E. Kempainen | Jacob H. Syreini |

EXHIBIT 1

[From the Mining Journal, July 21, 1967]

NMU AREA TRAINING CENTER

One of the most successful battles in the War on Poverty has been waged by Northern Michigan University's Area Training Center. Established in 1962, the center has trained an estimated 1,675 unemployed, underemployed or undereducated men and women—90 per cent of whom have been placed in jobs. In other words, more than 1,500 Michigan residents hold jobs today who might well be unemployed if it weren't for the NMU center. Many of these people might now be recipients

of public funds had they not received training at the center. Instead, they now are gainfully employed and contributing to the national economy.

At the same time, graduates of the training center have helped to solve manpower shortages in some Upper Peninsula industries. The ATC program has given trainees the opportunity to develop new skills in 15 occupations in which there has been a demand for more workers.

Some of the training programs were tailored specifically for a certain industry. For instance, the first program to be conducted with a grant under the Manpower Development and Training Act was a welding course designed for the LoDal Corp. of Norway, Mich. The ATC later conducted a bulldozer training course for the Cleveland-Cliffs Iron Co., which was in the market for persons with this skill to help operate the company's expanding open pit mining, and a series of aircraft welding programs for the Enstrom Corp. of Menominee, a new Upper Peninsula industry engaged in the manufacture of helicopters. Trainees who completed the LoDal, CCI and Enstrom programs, as well as others not enumerated here, were thus able to begin employment with those corporations immediately upon graduation.

The NMU center was the first of its kind in Michigan. Since its establishment, more than 100 training programs, supported by federal grants totaling more than \$2,000,000, have been conducted at the center. The programs have provided training in sales, screw machine operation, appliance, radio and television repair, welding, bulldozer operation, refrigeration, air conditioning and heating, automotive mechanics, general clerical work and stenography. In addition, a basic education program for adults was instituted this year as part of the center's functions.

"Northern is firmly committed to a philosophy of helping people to help themselves through education and application of knowledge and skills," Dr. Edgar L. Harden, NMU president, has said, and nothing is more illustrative of this than the training center program.

It has meant the opportunity to compete successfully for jobs in a climate of technological change. It has meant the opportunity for people to develop their talents and thereby help to establish the worth of each individual. It has meant a steady job instead of a welfare dole. And it has meant a bolstering of the economy of the Upper Peninsula.

Graduation ceremonies will be conducted Saturday night for the latest group of ATC trainees. These same ceremonies will signal the fifth anniversary of the center, a truly impressive achievement in education.

RIOTING AND REBELLION

Mr. BREWSTER. Mr. President, all of us awakened this morning to tragic and alarming headlines in the newspapers. Violence is spreading across the country like a rampant fever; Newark last week, Detroit this week, Cambridge last night, and next week, nobody knows where.

This situation is intolerable. Riot has developed into open rebellion. All force necessary must be employed to end the violence and to protect the lives and property of those who have been caught in the rebellion's path. All means within the law must be directed to the restoration of order. Public order comes first, and the short-term remedy must take precedence over the long-term solutions until the street fighting ends.

The events of the last few days show that the violence is getting worse, and that none of our cities, large or small,

is immune. Those of us who represent big cities that have not yet erupted would be fooling ourselves if we did not realize that what has happened in Detroit can happen in any city at any time. The rioting and rebellion know no limits, and, as the situation in Detroit proves, no rational cause. Unfortunate though it may seem, plain force must be used on the side of law and order in times like these.

In Maryland last night there occurred an incident that gives a perfect example of the volatile situation we now find ourselves in. A black power advocate, fresh from the black power conference in Newark, arrived in Cambridge, Md., where the troubles of 1963 have not been forgotten, and delivered a fiery, pro-black power speech to a crowd of about 350 assembled in a parking lot. Before midnight, gunfire was heard once again in Cambridge; two men had been shot. The black power speaker was one of them.

I commend the Cambridge and Maryland authorities for the efficient way in which they handled the situation. Quickly, the scene of the shootings was sealed off, and a National Guard contingent, under the very able command of the Adjutant General of Maryland, Maj. Gen. George Gelston, moved in.

Now Cambridge is calm, but how long will it stay that way? The black power advocate, whose speech brought on the trouble, is nowhere to be found, although I understand there is a warrant out for his arrest. Who knows where he will speak next, hurling cries of "Get a gun," "Burn a school," "An eye for an eye, a tit for a tat" into a restless crowd of deeply resentful people. Who knows where next the gunshots will be heard, and in what other States a Governor and an attorney general will be awakened after midnight for the long drive to the trouble spot?

We do not want traveling troublemakers in Maryland or anywhere else in this Nation. We believe in the Constitution, and we will uphold it, but make no mistake: the right of freedom of speech does not extend to the preaching of rebellion. Those who do preach rebellion must be made to learn this lesson. They must be brought to understand that in this country reason will prevail, reason restored by force, if necessary.

To do otherwise would be to allow demagoguery to overrule law. Where it takes force, force must be used to suppress the hollow rebellion of the black power leader, and show him up as the false friend to his people that he really is.

Black power is a false friend to the Negro. It will do him more harm than bigotry ever could do at this point. It is, in itself, the most arrogant form of racism. This, together with its theme of rebellion, is why I am entirely against black power. I oppose black power, white power, green power, pink power, or any power but the power of law and order.

I do not mean to advocate police brutality. Nor do I mean to ignore the deeper remedies to the problems of the urban ghettos. In the last 3 years, Congress has done more than ever before to deal with the causes of poverty, ig-

norance, and disease in the slums. The most creative energies of our Government have been directed to the solution of urban problems. But results do not come overnight, and I do not think it is asking too much to expect the Negro to place his faith in law and order to protect the civil rights of all Americans, and to attack poverty through legal means. Riot and destruction help no one, and only advance the causes of slum conditions.

Mr. President, I believe that in times like this, commonsense, reason and superior force will demonstrate the utter uselessness of black power to the cause of civil rights and Negro advancement in America. Black power is the opiate of a radical, immature, and unthinking minority who must be prevented as quickly as possible from undoing the great accomplishments of the more reasonable Negro leaders in this country.

But today, there is one thought uppermost in my mind: every effort must be made to restore law and order and protect the lives and property of our citizens. Right now, today, public order comes first.

Mr. President, this matter is discussed most capably in editorials published today in the Washington Post and Baltimore Sun. I ask unanimous consent that they be printed in the Record.

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

[From the Baltimore Sun, July 25, 1967]

DEMAGOGUERIES

If the firebrands who speak for what they call "the black revolution" would pause for a moment, and consider what they are saying and doing, they could see a startling, ugly resemblance to the racists who for years have been preaching white supremacy.

Demagoguery knows no racial barriers. Negro citizens, too, can be led up the blind alley of racial conflict, unthinking mob action and, disregard for law and order. There is a way to a black revolution in which Negro citizens exercise their full political rights and assert their economic power, but it is not the way of violence which begets violence, of black racism which promotes white racism. What we have been seeing in the excesses of the black power conference in Newark, in the riots in Detroit, Minneapolis and other cities is simply self-defeating. Shooting, smashing windows, looting and rioting will inevitably be put down—with armed force, if necessary—by the responsible representatives of the millions of Americans, of all colors, who believe in the ultimate power of law and order.

The tragedy of all this is written not only in lost lives and destroyed property. It is a dark blot on our entire structure, which is being spread by the very persons who claim to be trying to expunge it. It is a commonplace of our political history that moderate, commonsense Americans in the South, deeply conscious of the need to meet their acute racial problems, were intimidated and deterred by the white demagogues who exploited the race issue. Now we see a minority of Negroes in the North exploiting the race issue and shouting down the many moderate Negroes who have shown by their own actions that there is a way out of the ghetto and who want to show the way to others.

There should be no doubt, in any minds, about the immediate outcome of this turmoil. Law must be respected; order must be maintained. Riot and disorder offer no solutions; all Americans suffer and, worst of all, those most in need of help.

[From the Washington Post, July 25, 1967]

THE GREATEST TRAGEDY OF ALL

This country is now coming into a bad time. In this fourth summer of slum riots, the sense of despair is beginning to rise steeply amidst a Nation struggling for remedies. Americans know only that the traditional rules are no longer holding, that the present solutions are not enough, and that a great deal depends upon the speed with which we can respond to a protest that, for all its urgency, is as incoherent as it is demagogically destructive.

If these riots continue, it will be a very bad time indeed for civil rights, for social legislation, and for the prosperous development of the great cities. The movement for racial equality has been forced onto the defensive. If the disorders persist, public authorities can be expected to resort to increasingly crude methods of repression, as the wanton use of firearms by police and National Guardsmen in Newark suggests. The contagion of riots will assuredly end in the re-establishment of order, throughout the Nation, but it may be order at a terrible price.

The Detroit riot is the greatest tragedy of all the long succession of Negro ghetto outbursts. In other cities it has been possible to seek causes in the ineptitude of governments, the hostility of employers and unions, the destitution of the slum's people. But Detroit is different.

For years Detroit has been the American model of intelligence and political courage applied to the governance of a huge industrial city. Mayor Cavanagh has gone further, over a longer period of years, to respond to the people of the slums than any other big-city mayor; and now Mr. Cavanagh is doubtless destroyed as a political leader, Detroit's gifted young Congressman Conyers, one of six Negroes in the House, was booed and pelted by the crowd.

Detroit's poverty program has been repeatedly cited as the most effective in the United States. Its police force is considered a model of temperate restraint. Its inner city schools are one of the country's leading examples of forceful reform in education. The United Automobile Workers have done more for racial equality than any other union in the history of American labor, and they have been met with the steady cooperation of the automobile manufacturers. Whatever the deprivations of Detroit, there is no shortage of well-paid industrial jobs free of racial discrimination. The city of Detroit was badly shocked by its fearful race riot in 1943. Over the past decade there has been no other large American city in which government, business and labor have devoted as much skill and effort to the cause of the Negro and the poor.

The sources of these riots lie beyond any easy explanations in the social and economic statistics. They are painfully similar to the riots currently endemic in underdeveloped countries. They are similar to the riots in the European cities of a century or two ago. It is never easy for cities to absorb large and sudden tides of rural immigration. That, of course, is the long view: the riots are a stage of social transformation, and the cities will ultimately pass through it.

But the long view is not good enough. Talk of social transformation is very thin comfort to those who died, and to those whose homes and shops were burned and looted. This country, never long on patience in crises, now needs an immediate course of action.

Public order necessarily comes first. It is simply recognizing reality to say that every deeper remedy will be pushed aside until order has been reliably protected in Detroit, Newark, Plainfield, Waterloo, and every other American city, large or small. Everyone who lives in cities needs to understand that continued street fighting will ineluctably lead to the increased militarization of the police.

That process of militarization can even be justified on the evidence of Newark, where frightened and vengeful police and over-armed National Guardsmen appear to have gone far beyond any permissible limits in their use of automatic weapons. This newspaper recently reported that one body contained 39 bullet holes, a number difficult to explain by any rational policy. Those 39 bullet holes suggest the atmosphere now prevalent in some of the less well run urban police forces as the wave of rioting progresses.

Clearly, police need new weapons for riot control. Revolvers are not very useful to control crowds; the National Guard's machine guns and carbines ought never to be used in areas where women and children are likely to be caught in the crossfire. Some police authorities have experimented with temporarily debilitating chemicals that can be sprayed or hosed from a distance. Certainly police need training in riot control. Here are areas where the present Federal effort can be heavily expanded with great profit. And, of course, sniping will always be a danger as long as Federal and state law makes it possible for every criminal and every maniac on the continent to get a gun.

The continued riots, particularly in Detroit, will no doubt lead to renewed political attacks on the public programs of community action, job training, improved education and expanded housing. They have not prevented riots, it will be argued. But the answer is that they are all slow, difficult jobs in which the profit only appears over the long haul. The country is going in the right direction with its campaigns to end poverty and to build model cities. The country needs steady hands in this moment, and cannot let itself be baited or distracted by the black insurrectionaries or the white reactionaries who are, not for the first time, singing in close harmony.

The riots have done immense and irreparable harm to the fabric of the cities, and to the march for civil rights. The question is not whether order will eventually be ensured; certainly it will be ensured. It is the manner in which this is done that must be our first concern. The real question is the oldest question of the American republic, one that has been met many times, one that is always answered in a different way, and at a new cost. The question is whether a nation of free men can achieve order and social justice as well.

ORDER OF BUSINESS—RULE OF GERMANENESS

Mr. LONG of Louisiana. Mr. President, in view of the enormous interest in the riot situation that has been discussed here, particularly by those who discussed it, I have not insisted on adherence to the germaneness rule. However, I am constrained to do so from this point forward, at least until we vote on the pending amendment.

INTEREST EQUALIZATION TAX EXTENSION ACT OF 1967

The Senate resumed the consideration of the bill (H.R. 6098) to provide an extension of the interest equalization tax, and for other purposes.

Mr. LONG of Louisiana. Mr. President, I have discussed with the Senator from Delaware the method of considering his amendment. We have informally agreed that we would address ourselves to the amendment briefly, in the hope that we might vote thereafter, inasmuch as this is the only amendment on which

there will be a rollcall vote, as far as I know.

Mr. President, I wish to point out that the interest equalization tax is certainly one of the most important measures that has been enacted by Congress to meet the very difficult problem which we have facing us in connection with the gold outflow from this country and the balance of payments problem with which we have been plagued for a great number of years and which worsened beginning in 1958.

Mr. President, the significant fact, more than any single item, is that interest rates abroad are higher than interest rates here.

Personally, I very much dislike to see Americans paying 6½ percent interest on FHA home mortgages. They are paying something more than that, and about the same rate of interest on mortgages which are not FHA mortgages. I dislike to see taxable Government bonds yielding interest of 4.8 percent and for 3 to 5 years issues of Government securities to yield as much as 5.14 percent. I dislike very much to think that interest rates would be even higher, that interest on housing loans might well be as much as 7.5 percent were it not for this equalization tax. If we did not have this tax, the demand for our capital in Western Europe, Canada, Japan, and elsewhere, would cause American interest rates to go up and the homeowner would be paying 7.5 percent instead of 6½ percent. I say this because the present differential between United States and European bonds is now slightly over 1 percentage point.

If one dislikes seeing Americans having to pay interest rates to that extent, if he dislikes seeing the Government having to pay an extra \$3 to \$5 billion a year on the national debt in interest for which no additional service is made available, then he would like to hold interest rates down. The interest equalization tax which, in effect, makes up the difference between what bonds yield in Europe, Japan, Canada and certain other areas, as compared to what they earn here, helps us to keep the interest rates here at a level where they do not injure the American consuming public any more than they do. We should keep in mind that the public and private debt runs \$1 trillion, 600 billion. One percent interest on that amount of money comes to about \$16 billion a year which, in the last analysis, is a burden which the consuming public, the rank and file of our people, would have to bear.

Yet that is what we would save if we did not have this interest equalization tax today. There are a number of ways the tax could be eliminated. One would be for the interest rates in Europe gradually to come down to meet the levels here. I would like to see that. I think that would be most desirable.

Another way would be for American interest rates to go up to meet the interest rates of the other developed countries of the world, such as Europe, Japan, Canada, and others. I have indicated what the effect would be, under those circumstances.

So the alternative, then, is to have this

interest equalization tax, to tax the difference between what the money earns here and what it earns in the other developed countries of the world.

On page 5 of the committee report, Senators will note the difference between the balance of payments in those years in which we have had the interest equalization tax and the balance of payments in those years in which we did not have the interest equalization tax. The tax went into effect in 1963. If we take the 3 years immediately prior to that and compare them with the 3 years after 1963, it would appear that our balance-of-payment situation is improving by about \$1 billion a year. The Treasury Department has estimated that much of this improvement is attributable to the interest equalization tax.

I heard the Senator from Ohio [Mr. LAUSCHE] refer to the fact that not enough is being done to meet the balance-of-payments problem. I would agree that more should be done. I would like to see more done. Let me say that this tax does much of the job. If we look at the unfavorable balance of payments we have had since the tax went into effect, shown in the first column of the table on page 5 of the committee report, it would appear that our unfavorable balance of payments has been about \$7 billion since the enactment of the tax. It could well have been \$3 to \$4 billion worse had we not had this tax. So we might say that the tax has done about one-third the job of helping with our balance of payments.

But insofar as portfolio investments in countries where the tax applied are concerned, during the period the tax has been in effect, the balance has been actually favorable to the United States. There has been more money from these developed nations flowing toward the United States in the form of portfolio investments than has been flowing away from the United States.

Thus, insofar as this flow of capital is concerned, the tax has developed a favorable flow to the United States. If we can bring under control this flow of capital and also other things that adversely affect the balance of payments, perhaps we might eventually eliminate this unfavorable balance altogether. But this tax is one of the essential elements. It is absolutely necessary, if we are to permit the American people to enjoy a relatively lower level of interest rates than in other developed countries in the world.

The alternatives it would seem to me, are higher interest rates or an increased international deficit of \$3 to \$5 billion a year. The higher interest rates would cause an increase in interest charges on the national debt. There also would be problems with the higher mortgage payments that people would have to pay, and the additional burden on businesses—small borrowers and others—that would be imposed by higher interest rates. This it would seem to me would be a less satisfactory answer to our problem than to continue this tax.

Any improvement which can be made in the administration of this tax can be presented as it is worked out and either

acted upon as a bill by itself or added to another tax bill being considered by the tax committees. There is no need to provide a 1-year extension merely to assure the reexamination of the administrative provisions. I am sure with the consideration given this matter already, the Treasury will promptly call our attention to any needed measures in this area.

On the overall question as to whether the tax will be needed for a period of 2 years or more, I really think there is little doubt that it will. You will recall that one of the principal reasons why it was thought necessary to provide this tax in the first place was the fact that the European capital markets had not developed to the stage of the American capital markets and that as a result Europeans were borrowing funds over here because of the greater efficiency of our markets. While there have been improvements in the European capital markets, I think it is clear that a 2-year period will nevertheless still be required before they are sufficiently developed to handle a larger portion of European financing.

I should also point out that, in any event, if it should become possible to reduce or eliminate the tax, that a feature the Finance Committee added to the bill makes it possible to take this action by the administrative route. I refer to the fact that we have given the President the discretionary authority to move the rate up to an interest cost equivalent of 2 percent or down to zero. Should the tax no longer be needed within this 2-year period, this discretionary authority undoubtedly will be used to reduce the tax to zero, however long an extension we may provide at this time.

The Senate should also recognize that a 1-year extension of this act, when a 2-year extension has been requested by the administration, might well have the effect of suggesting to the security market that the Senate is displeased with the provisions included in this bill to stop evasion and avoidance of the tax. It seems to me that, quite to the contrary, the will of the Senate is to completely stop tax evasion and to provide the Treasury with all of the tools necessary to finish this job. I think the best way we can express our confidence in the loophole-plugging provisions in this bill is to give the Treasury the 2-year extension requested.

Still another factor which should be considered is the unsettling effect on the security market which a mere 1-year extension might bring about. A 1-year extension would, of course, indicate displeasure on the part of Congress with the tax and with the present program for restraining capital outflows from this country. I believe it would be unfortunate if the security market were to assume from a 1-year extension that Congress was not favorable to the restraint of capital outflow and looked forward in the very near future to abandoning this policy. The best way we can overcome such possible implications as these is to extend the tax for the full 2-year period requested by the administration.

Mr. MILLER. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. MILLER. I am looking at table 2 on page 7 of the committee report, which gives a breakdown of the U.S. balance of payments. I am trying to ascertain from that table how the interest equalization tax has had a helpful impact.

I notice that, about midway, capital outflows of a direct investment nature have increased rather dramatically in the last 4 years. New issues of foreign securities seem to have gone up substantially.

I am wondering how the Senator from Louisiana can reconcile his statement that the interest equalization tax has been helpful in light of this table.

Mr. LONG of Louisiana. I believe the Senator would do best to look at table 4 on page 11 of the report. The table to which the Senator refers includes both capital investments which are subject to tax and those which are not. The Senator will notice that, in terms of those types of investments that are subject to the interest equalization tax, there has been a very dramatic change, even though, as to those types which are not subject to the interest equalization tax, there has not. With regard to the increase, most of which involves Canada, we have an agreement with that government as to the extent to which they will seek capital from the U.S. market.

Mr. MILLER. I ask the Senator to clarify the table because I am looking at those items subject to the interest equalization tax, which show that for 1965 the figure was \$80 million, and for 1966 it was \$9 million. What does that indicate?

Mr. LONG of Louisiana. If the Senator will look at the line immediately above that, he will see the subtotal for all countries subject to the interest equalization tax. This is in terms of new issues. He will see that in 1962, the figure was \$356 million. The tax went into effect in the second half of 1963. In the first half of that year, the issues were \$343 million. In the second, they fell to \$110 million. In 1964, they were down to \$20 million. In 1965, the figure was \$132 million. In 1966, it was \$19 million.

Mr. MILLER. It looks like we are possibly talking, in round numbers, about a decrease of upward of \$300 million in 1964 and 1966 and perhaps \$200 million in 1965. Is that correct?

Mr. LONG of Louisiana. That refers to new security issues. If the Senator will look at the next page of the report, page 12, table 5, he will see that the average outflow was \$274 million from 1960 to 1963. That has been reversed from the second half of 1963 forward to an average inflow of \$238 million a year through 1966. If the Senator will add those together, it will give him \$512 million of improvement. That refers to the outstanding issues.

Mr. MILLER. I understand the decrease in the outflow, but I do not understand why the interest equalization tax would necessarily be accompanied by the change in the inflow.

Mr. LONG of Louisiana. The point is that these are net figures that the Senator is looking at—taking into account inflows and outflows. A further point is that a great deal of money is being repatriated because it would be subject to tax if reinvested in foreign securities. If

an American citizen sells securities he holds in a foreign country, the tax goes into effect if he reinvests it in foreign securities. It is therefore to his advantage to reinvest it in American securities which are not subject to the tax. Thus the tax has had the effect of bringing some money home, repatriating it, and helping our balance of payments.

By adding the two figures together, the Senator will see the situation has improved by about \$500 million a year with regard to outstanding issues and over \$300 million a year with regard to new issues.

Bank loans are not listed here, but if bank loans were added to those figures, we would come to the figure of about the \$1 billion which I mentioned.

Mr. MILLER. I think the Senator has answered that point reasonably well; but now I come back to table 2, which shows direct investment and capital outflow. The Senator said he did not want to take that table into consideration because it was a mixture of the items subject to the interest equalization tax and the items not subject to the interest equalization tax. If the Senator will look at the figures he mentioned he will see that the total in 1963 was nearly \$2 billion, and in 1966, it was about \$3.5 billion. There is a \$1.5 billion increase in capital outflow on direct investments. It looks to me like the situation, as far as that is concerned, has got worse. Maybe it has got better as far as the interest equalization items are concerned, but it is worse as to the others. That leads to the conclusion that, because of the interest equalization tax, the outflow capital is going into other items.

Mr. LONG of Louisiana. That includes direct investments which are not subject to the interest equalization tax.

Mr. MILLER. That is correct. My point is that where investments are subject to the interest equalization tax, investors quite apparently reduced their purchases there, but it looks like they put their capital into the exempt areas, which have gone up very substantially.

Mr. LONG of Louisiana. The direct investments are under the voluntary program handled by the Department of Commerce. These direct investments are being held down by the voluntary agreements under that program. In the absence of this tax, there would be even more money flowing out, in the form of portfolio investments.

Mr. MILLER. Much as I dislike to contradict the Senator, they are not being held down. As I pointed out, in 1963, when this interest equalization tax went into effect and when the voluntary program was supposed to have gone into effect, the total capital outflows on direct investment amounted to about \$2 billion. Last year it was up to about \$3.5 billion.

Mr. LONG of Louisiana. The voluntary agreements did not go into effect until 1965. If the Senator will—

Mr. MILLER. It looks like 1965 and 1966 were about \$1.2 billion worse than 1964.

Mr. LONG of Louisiana. That item is unfavorable if you look only at direct capital outflows but not if you also take into account the investment income

flowing the other way. This is getting smaller, and it would be much less favorable if we did not have this law to help with portfolio investments.

Mr. MILLER. I do not wish to labor the point, but it is not getting smaller. It is getting worse. In 1954, it was \$2.4 million.

Mr. LONG of Louisiana. Is the Senator looking only at capital outflow, or at investment income as well as capital outflow?

Mr. MILLER. I am looking only at capital outflow.

Mr. LONG of Louisiana. The Senator should look at the line just below it, which is investment income. That would be money coming this way. For example, in 1966, we had capital outflow of \$3,462 million, and investment income of \$4,045 million. That would be a favorable balance.

In other words, if we simply subtract the capital outflow from the investment income, the figure that results is \$583 million of direct benefit.

Mr. MILLER. I was going to say roughly \$600 million by way of a favorable balance. But compare that to 1963, when the favorable balance was about \$1.2 billion.

Mr. LONG of Louisiana. That is \$583 million coming in our direction.

Mr. MILLER. I understand. But compare that to 1963, when we had twice as much coming our way. That is why I question the Senator's suggestion that the situation is improving.

Mr. LONG of Louisiana. The situation is improving in the area where this tax applies. The direct investment has to do with how much money is put abroad by the large companies in their subsidiaries. It really has nothing to do with the purpose we are trying to achieve under this tax.

Mr. MILLER. That is just the point I am making. My point is that if one looks at 1963, on this direct investment, he will find a favorable balance of approximately \$1.2 billion. Looking at 1966, he finds a favorable balance of half that amount; and he will further find that direct investment has gone up from about \$2 billion in 1963 to about \$3.5 billion in 1966.

The point is that the circumstantial evidence, at least, would seem to indicate that because of the diminished amount of investment in interest equalization tax securities, the capital has gone elsewhere into channels which are not subject to the interest equalization tax.

I am wondering whether, while we may point with great pride to the reduction in interest equalization tax securities on the one hand, on the other hand the capital is going out of the country under other conditions.

Mr. LONG of Louisiana. As I say, the situation would be much worse if we did not have this tax. Of course, as the Senator can see, direct investments are an area where, on balance, dollars are moving toward the United States, not as rapidly as formerly, but the situation would be worsened if we had to add to this a big deficit in the case of portfolio investments.

Mr. MILLER. I know that is what the

Senator is arguing, and I hope he is correct. But I point out that while perhaps capital is being blocked here, it looks to me as if it is going out in other areas, and I am not so sure that we have put a control on it. If this area, outflows of capital, has worsened by \$1.5 billion in 3 years, it would seem that some of that capital, at least, that would have been going into these securities has been going into other investments. So while we may hope that this has reduced some of the outflow, I do not know that we can necessarily conclude that, in view of this table.

Mr. LONG of Louisiana. The direct investments were largely investments by big companies seeking to get their plants operating on an expanded basis in Europe. The Senator knows of some of them. They were trying to get their plants operating in the Common Market area, where they felt they would lose the sales otherwise. Even in this area we have a voluntary agreement to limit the outflow.

If we applied this tax to direct investments we could certainly keep a lot of direct investment money from leaving the country. But it has been felt that we should not go any further than we are going with the voluntary program in this area in view of the fact that in this area, considering the investment income, we still had a favorable balance to the extent of \$583 million last year. In the first quarter of this year the balance was \$301 million. If it continues as well as in the first quarter, that may mean a very favorable figure by the end of the year. It may be almost as good as the figure to which the Senator referred in the year 1963.

Mr. MILLER. I thank the Senator for his response. The thing that concerns me is that when all of these figures are taken into account, the picture is not too bright, and I have had the uneasy feeling that too much credit is being given this interest equalization tax in the face of these other figures.

I know that some large corporations are sending their investments overseas, but I would feel a lot better about it if we had a good breakdown of the capital outflows, to see whether or not the point I made is borne out—namely, that investors are blocked because of the interest equalization tax on the one hand, so they put their money into direct capital outflows of some other nature on the other hand.

Mr. LONG of Louisiana. This direct outflow is by large corporations which are operating plants which they own overseas.

Mr. MILLER. Is it entirely that?

Mr. LONG of Louisiana. Yes, it is entirely investments in controlled subsidiaries. American companies are expanding their operations overseas. For instance, they are manufacturing in foreign countries automobiles which we could not export.

If we consider the investment income which is coming our way as a result of that, it causes us to have, on balance, a favorable figure. For example, even the worst year that occurred in direct investments showed a surplus of \$545 million for the United States. If the remain-

ing three-quarters of this year are as favorable as the first quarter, the surplus might be as high as \$200 billion. Naturally, I cannot guarantee that will happen.

Mr. MILLER. I am pleased to hear that. I have one further question, and I apologize for asking it, because I know the Senator from Louisiana has many complex data with which to concern himself. It may take some digging to respond to some of the questions. However, I am wondering whether the Senator knows whether the investments subject to the interest equalization tax have been made in any substantial measure by some of the corporations which are making the foreign investments to which we have just been referring.

Mr. LONG of Louisiana. Of course, the Senator knows that the tax applies when one purchases portfolio securities. It does not apply to direct investments.

Mr. MILLER. I understand. I am wondering to what extent corporations have been involved in such purchases.

Mr. LONG of Louisiana. They would be covered by the tax, if these companies increase their portfolio investments.

Mr. MILLER. That is my understanding. Are any of those corporations which have been making the direct capital outflows, to which we have been referring, the same companies that had been investing in these securities to which the investment tax credit is applicable?

Mr. LONG of Louisiana. Those companies generally speaking are not buying securities. They simply are investing in foreign subsidiaries in which they own more than 50 percent.

Mr. MILLER. I understand that, but I would still like to know whether any of these securities have in the past been purchased by the same corporations. If they have been, then the point I have been making would be valid, that they would no longer be buying these securities, but would be sending their capital out of the country in other ways.

Mr. LONG of Louisiana. We do not think they would generally be buying portfolio securities because they might very well then be subject to the accumulated earnings tax if they were doing so.

It is our best information that, while there may be some, there would be very little of it.

Mr. McCARTHY. Mr. President, the Senator does not mean to say that there might not be a few cases in which that would have been done. The number would be very small. There is a built-in device to cover it. As the Senator from Louisiana has pointed out, the accumulated earnings tax would begin to run against them. We would say: "You people are putting your money into that security. You will have to bring that money back." Very little of that would occur.

Mr. MILLER. Mr. President, I thank the Senator for his patience in answering these questions. I do think they are important.

A number of us have the feeling that the interest equalization tax has been oversold. We do not say that it has not had some effect. But I think that the effect may not be as dramatic as the proponents have stated. And I think a

number of us are still uneasy about the reaction that has taken place and we wonder whether this tax will be beneficial to our balance of payment in the long run.

Mr. LONG of Louisiana. Mr. President, I tried to indicate to the Senator how we arrived at the figure. I tried to indicate how we arrived at the estimate showing how we have improved our balance of payments by approximately \$1 billion a year.

That is the estimate of the Treasury Department.

Mr. WILLIAMS of Delaware. Mr. President, the interest equalization tax was first enacted in 1963, and the pending bill would extend this act for another 2-year period.

My amendment would limit that extension to 1 year.

I do not think there is any question but that the interest equalization tax on the short-term basis has been beneficial, but there is a question in the minds of many as to whether the long-range benefits will be good as they relate to our country and its future balance of payments.

I agree with what the Senator from Iowa said. This act has been greatly oversold by the administration as to the effect it has had on our balance of payments, our interest rates, and our gold reserves.

They pull the magic figure of \$1 billion out of the air. It sounds nice to say that they have saved that much money in 1 year. If that is true certainly the bill would be meritorious, but I point out that figures and statistics furnished by the Treasury Department, as shown on page 12, table 5, do not include intra-government transactions.

During the past 4 years, some governments, as the result of negotiations, have made their payments in advance. On the other hand, the Treasury Department has borrowed sizable amounts—several hundreds of millions of dollars—from various governments, money that was borrowed in order to stem the outflow of gold and encourage those countries not to convert the dollars into gold.

Those transactions are not taken into consideration or included in this tabulation. We do not know what effect it would have on the answer if all of these transactions were included.

As to the argument that this measure has caused a tremendous inflow of money in the past 4 years compared to what happened in the preceding 4 years, that may or may not be true. Let us not attribute all of the cash inflow to the interest equalization tax. Let us not forget that the interest rates in this country are about 1½ percent or 2 percent higher than they were 4 years ago, and as a result of these high interest rates we are encouraging the investment by foreigners in this country.

What the result would have been if the interest rates had not advanced so high in this country is a question which is again open to speculation, but certainly it would have made a difference.

Concerning the argument that this measure has held down the interest rates in this country, certainly the measure cannot be passed on the ground that it

holds down the interest rates because the interest rates in the last 4 years in this country have consistently advanced. Today they are at the highest level in 40 years. So, if we want to examine the actual results, one could say that the interest equalization tax has caused high interest rates in this country rather than low interest rates. I do not think such was the case, but one is certainly not proving anything when he refers to present interest rates.

I am surprised that the administration even mentions them because I would not think the administration was very proud of its record as far as interest rates are concerned.

Getting back to the pending bill, the reason I think it should not be extended for more than 1 year at the very most is that in this bill for the first time in history we are delegating to the President of the United States the authority to raise taxes on these securities at rates ranging from 0 to 30 percent.

Under the pending measure the President regulates this tax. It could be 10, 15, 20, 30 percent, or 0 at his discretion.

This is the first time that Congress has delegated to the President the authority to regulate the tax rates in any category. I question the wisdom of taking that first step. I am not unmindful of the fact that the President has asked that he be given similar power with reference to our domestic tax policy. If such power is ever granted to the President I think it will be disastrous for this country.

Fixing tax rates is the responsibility of Congress.

I would be more receptive to this bill if it embraced a fixed rate of tax, and then if Congress wishes to change the tax we can change it. Nevertheless, that is a provision in the bill, and as we vote upon the bill we should not be unmindful of that precedent.

The question again arises: Do we need this law, and what was its purpose?

In the beginning the law was recommended on the basis that it would help us with respect to the balance of payments and would stop the outflow of gold. As I have said, I believe that on a short-term basis it has been successful. Whether it will be equally successful over a long period of time or whether we will lose more than we make, that, too, is a question. There are many in this country who believe that the long-range effect of the enactment of this bill will be to the disadvantage of the economy.

The next question is, Has it served its purpose? I have referred to the claims that have been made, and, as the Senator from Iowa has pointed out, I believe the claims have been greatly oversold and exaggerated.

With respect to this being the only measure that we have with which to cope with the large deficits, I would agree that it is the only measure that the administration has adopted, but it is not the only measure or the most constructive measure that we could enact to help solve the fiscal problems in this country. Fiscal sanity in this country can be restored only by reducing our expenditures at home. That action would contribute greatly toward the protection of our

dollar and the reduction of interest rates.

There are other reasons why I believe the law should be extended not to exceed 1 year. The enforcement provisions of the act are very important. There is no question but that the law, as it has been in effect for the past 4 years, has not been enforced. The Treasury Department has said that that has been due to the fact that the law was inadequate. But what disturbs me, as I said yesterday, is the fact that it took them 4 years to find out that the law had loopholes, and it took them 4 years to make recommendations to Congress with respect to amendments which would close those loopholes. Their recommendations for a change in the law were not sent to Congress until the scandalous record with respect to enforcement was exposed in the public press.

I am disturbed that the Treasury Department apparently knew nothing about the widespread evasion or the avoidance of the tax law that was taking place. It has been estimated that the now-recognized evasion has cost us millions.

Treasury Department representatives, in testifying before our committee with respect to this legislation a few weeks ago, insisted that they did know about the loopholes. Treasury claims that it knew about the evasion in March 1967 and that it was in the process of taking steps to correct it when the news articles appeared. Its representatives gave the full committee the strong impression, on repeated questioning, that they did not know about this evasion prior to the spring of this year.

The fact is that the Department was alerted in 1966. It was alerted in 1965, as I quoted in memorandum that I placed in the RECORD yesterday—memorandum that were filed with the Department in Washington in 1965 stating that the evasion of this law was so widespread that instead of contributing toward our balance of payments, instead of stopping the outflow of gold, the law was actually increasing the outflow of capital as a result of the evasion tactics. Certainly that was warning enough.

The Treasury Department has informed us that the amendments it recommends—16 pages of them—which are incorporated in the pending measure, will plug these loopholes. I hope they will, but I am not sure that they will. I do not question the good intention of the Treasury Department when it submitted the amendments, but I point out again that the 16 pages of amendments submitted to our committee were before us less than 48 hours before we adopted them. I ask Senators to read the bill, and I wonder how many can analyze these amendments in the short time we have.

In that connection, I point out that at this moment the Treasury Department is preparing another amendment, which it circulated to the chairman of the committee and to me yesterday while we were discussing the bill. The purpose of this amendment is to close a loophole in this law—an amendment we are to consider on another bill.

They are preparing amendments to this law before it is even enacted.

In light of such widespread evasion as has been disclosed in the press and which I discussed yesterday we should not extend the act for more than 1 year. At the end of 1 year it should be reexamined and the representatives of the Treasury Department should appear before our committee. Let the Treasury come before the committee and tell us how the law is working. I hope that when they make the report they can state that these amendments are adequate and that the law is functioning properly. But if the law is not functioning properly we certainly do not want it to continue another 2 to 4 years before we find it out.

While I respect the American press, and I congratulate it upon having alerted the Treasury Department to the fact that there was evasion of a law that the Treasury Department was supposed to be administering, I do not believe that neither the Congress nor the Treasury should depend entirely upon the press. The Treasury Department has a responsibility. They should have known about it.

We as members of our committee have a responsibility to examine these laws a little more carefully than we have done in the past.

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

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. Is it the position of the Senator from Delaware that inasmuch as failure to pay taxes continued over a protracted period through loopholes, and after the Senator from Delaware had called attention to the fact that loopholes had been found, no action was taken by the Treasury Department until the amendments which now are included in the bill before us were submitted? And is it the judgment of the Senator from Delaware that in face of that error on the original bill, we should have an opportunity to take a look at it again in 1 year, rather than in 2 years?

Mr. WILLIAMS of Delaware. We should have an opportunity to look at it after it has been operating 1 year, rather than in 2 years.

However, to keep the record straight, I point out that I did not call this widespread evasion to the attention of the Treasury Department. As one member of the committee, I had no knowledge of any evasion of this law until I read about it in an article that appeared in the Wall Street Journal on June 30, 1967. Prior to that time, to my knowledge the Treasury Department had not alerted our committee or the committee in the House that such a condition existed. If the Treasury Department knew about it it was keeping it confidential.

Representatives of the Treasury Department testified in favor of this bill before the House committee in February of this year, and the bill was passed by the House and sent to the Senate. At that time I saw nothing in the record of those hearings indicating that the Treasury Department witnesses told the House committee that any amendments were needed to close loopholes or that the law was being evaded.

After the disclosure of the scandals in the Wall Street Journal the Treasury

Department in its testimony before our committee said, "We have amendments that we recommend you put on this House bill to correct these loopholes." We accepted them.

The point that disturbs me is why, after 4 years, they did not know about it before. If they did know about it why did they not tell the Ways and Means Committee and try to have the amendments included there?

The chairman of our committee was most anxious to get every amendment in the bill that he thought would tighten up on the enforcement. The committee supported that position, and we put in this bill every provision that we believed would tighten up the enforcement provisions. I do not claim that the provisions will not work, but I say that we do not know. What is wrong with coming back in a year and finding out whether or not they do work?

I do know that the Treasury Department was alerted in 1965 and in 1966, yet they did not seem to be too concerned about the evasion.

Mr. LAUSCHE. How were they alerted in 1965?

Mr. WILLIAMS of Delaware. They were alerted by their own Department interoffice memorandums.

I should point out that there have been two indictments, I think, in New York. They claim they are bringing more of these cases to the grand jury, but why the delay?

However, the point is that until 10 days ago we had no indication that these extra amendments were needed. Congress should accept this proposal reducing the extension to 1 year. Then the Treasury Department and the committees can review the matter next year and determine whether or not it is working.

It is important that we proceed on this measure on the basis of 1 year and come back next year and see whether it is working.

Mr. LONG of Louisiana. Mr. President, I shall address myself to only one point made by the Senator from Delaware, and that has to do with the problem of tax violations.

There have been some violations. I do not believe that anyone in this Chamber is capable of dealing with tax laws involving many billions of dollars and drafting them so that corrupt and dishonest people will not seek to violate them and, therefore, become subject to whatever procedure we have for the punishment of those who do not pay their taxes or those who try to illegally evade a tax.

The Treasury Department found in 1965 that there was some effort to violate this interest equalization tax. My understanding is that the amount of the violation was not regarded as involving a great deal of money but it was regarded as a very serious matter in view of the fact that it could very well lead to a large-scale violation if it were not prosecuted.

Mr. President, the Treasury sought grand jury indictments and some of these people were indicted. It was felt that it would be better to indict them through grand jury indictments because

it would give more publicity than if the U.S. attorney filed a bill of information. It was felt at that time that the indictments served their purpose because there were no more violations detected until this year.

In the spring of this year the Treasury Department became aware of some violations. Those violations came to the knowledge of the Treasury after the House of Representatives passed this bill. It was mainly in April and later that this information came to the attention of the Treasury Department. When an article appeared in the Wall Street Journal the staff of the Committee on Internal Revenue Taxation, which helps the Committee on Finance and the House Committee on Ways and Means, inquired immediately of the Treasury as to the basis of the articles. The Treasury Department confirmed that the articles had some substance to them and that the Treasury was working on the problem and preparing amendments to recommend to us to stop any future violations.

This bill did not have loopholes, and it does not really have any loopholes now. These people violated the law, but by being outside the country and doing business through foreign dealers, it is very difficult for this Nation to reach them. However, we are assured that whatever power this Government has to reach these people outside the Nation who have conspired and contrived to violate this tax, those people will be punished to the full extent of the law, as far as the Treasury Department is concerned. The Treasury Department proposed extensive amendments which they feel will stop future violations of this law.

In the past the law could be violated with some impunity because we were relying upon the "know your customer rule" that exists among stockbrokers. It was felt they could inform the Treasury as to whether there was any tax when people were purchasing stocks and bonds or selling them; the broker would know whether they were Americans or foreign citizens who were doing so.

However, when a foreign dealer is involved, it was found in the spring of this year that we simply could not safely rely upon the "know your customer rule." Therefore, we amended the bill so that when persons certify they are American citizens selling securities, unless we have a reputable participating dealer, well known to the Treasury, who has substance behind him, the Internal Revenue Service would have to certify this person to be an American holding foreign securities and therefore, not subject to the tax because he always held them. We think that takes care of the violation problem.

The Senator did mention a so-called loophole plugger to plug a loophole. In the first place, there was no loophole. No one escaped through a loophole. They only escaped in violating the law because they are, perhaps, beyond American law enforcement. We have strengthened the enforcement procedure in such a manner that we believe the bill cannot be successfully evaded in the future.

The so-called additional amendment being drafted was the suggestion of the

security dealers because they feel there are better ways in which they can cooperate with the Treasury, in abiding by the tax provision and in paying the tax when it is due. They feel they can reduce the burden on the security dealers.

Mr. President, I am certain that if a procedure can be perfected which is to the advantage of the stock exchanges and the American security dealers, everyone on the committee will welcome the suggestion and we will promptly enact it. Until that time we would do well to stay by the carefully studied procedure.

(At this point, Mr. BURDICK assumed the chair.)

Mr. WILLIAMS of Delaware. Mr. President, I shall be but a moment more.

I would point out that the Treasury Department tried to make the same argument to the committee—that there were no loopholes in the existing law. They had scarcely gotten that out of their mouths before they turned around and submitted 16 pages of amendments to correct what they referred to as defects in the law. Certainly they recognized that there were loopholes.

I understand that altogether the Treasury has collected about \$55 to \$60 million in taxes under this act. This was not a revenue measure. It was to stop the outflow of capital, but nevertheless it is administered as a tax. In addition to this collected tax there was another \$27 million of tax that has been assessed, but all expectations never will be collected because the securities were sold by this group under the name of shell corporations, which had absolutely little or no assets. They filed tax returns and reported their tax liabilities of \$2 or \$3 million, but made no payments. When the Treasury Department went to collect they said that they had no assets. In some instances the total assets were \$100, and in others they were as much as \$500. Treasury could take the corporation and what was left. Let us face it—these multimillion-dollar tax assessments are not worth the paper they are written on.

Yesterday I placed in the CONGRESSIONAL RECORD several examples showing how this tax avoidance scheme operated.

Certainly there have been violations, and the Treasury knew about it as far back as 1965. I quote from a 1965 report prepared by officials of the Treasury Department:

Information developed to date indicates that certain individuals are employing a scheme to violate the interest equalization tax and defeat the purpose of the law. As you know, the interest equalization tax act was designed to discourage the purchase of foreign securities by United States citizens and curtail capital outflow. However, the scheme employed by these violators, has actually stimulated the sales of foreign securities in the United States.

Mr. President, that quotation was taken from a Treasury Department report prepared in 1965. They were warned again in 1966 and warned again in 1967. Maybe they have got it all corrected. If they have, they have performed a miracle. But, nevertheless, it will do Congress and the committees good next year to examine this one miracle which the Treasury Department may have performed.

Mr. President, the amendment should be adopted.

Mr. PERCY. Mr. President, I support the amendment now pending, offered by the able, perceptive Senator from Delaware [Mr. WILLIAMS] to the interest equalization tax bill. As is usual in debate on the Senate floor, he has contributed a very valuable perspective to the legislation at hand. His amendment to reduce the extension of the present law from the 2 years called for in the bill to 1 year deserves the consideration and support of all Senators.

The original justification for this legislation was largely based on the fact that U.S. interest rates were well below those of Western Europe. There was a strong incentive for European borrowers to enter the U.S. capital market.

Today the situation is quite different. U.S. interest rates are at levels that are nearly competitive with those in Europe. The need to close the interest rate gap through the interest equalization tax is thus less urgent.

I join previous speakers in emphasizing that this tax should not be considered as anything more than an emergency or stopgap measure. It has had some beneficial effect in curbing the purchase of new European securities by Americans, although there have been serious evasions of the law which the present bill is designed to correct. My only concern is that this type of legislation may simply alleviate symptoms and reduce pressure on the administration to take steps to strengthen our fundamental balance-of-payments position. First and foremost, this means restoring cost and price stability in the American economy.

Mr. President, few laws defy revocation or rescission as stubbornly as tax laws, even notwithstanding that their primary purpose may not be to raise revenue. Accordingly, I join the Senator from Delaware in urging that the proposed 2-year extension be cut in half, so that we may better evaluate the effect—and effectiveness—of these so-called perfecting amendments to this temporary law. I do so also in the hope that this measure will not remain on the books longer than is wise and necessary to accomplish its limited purpose.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware [Mr. WILLIAMS].

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Pennsylvania [Mr. CLARK], the Senator from North Carolina [Mr. ERVIN], the Senator from Indiana [Mr. HARTKE], the Senator from New York [Mr. KENNEDY], the Senator from Montana [Mr. METCALF], the Senator from Utah [Mr. MOSS], the Senator from Rhode Island [Mr. PELL], and the Senator from Florida [Mr. SMATHERS] are necessarily absent.

I also announce that the Senator from Alaska [Mr. GRUENING], the Senator from Michigan [Mr. HART], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. CLARK], the Senator from North Carolina [Mr. ERVIN], and the Senator from Florida [Mr. SMATHERS] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Michigan [Mr. GRIFFIN] and the Senator from Oregon [Mr. HATFIELD] are absent on official business.

The Senator from Tennessee [Mr. BAKER] is necessarily absent.

If present and voting, the Senator from Tennessee [Mr. BAKER] and the Senator from Oregon [Mr. HATFIELD] would each vote "yea."

The result was announced—yeas 34, nays 51, as follows:

[No. 196 Leg.]

YEAS—34

| | | |
|----------|---------------|----------------|
| Alken | Fannin | Murphy |
| Allott | Fong | Pearson |
| Bennett | Hansen | Percy |
| Boggs | Hickenlooper | Prouty |
| Brooke | Hruska | Scott |
| Carlson | Javits | Smith |
| Case | Jordan, Idaho | Thurmond |
| Cooper | Kuchel | Tower |
| Cotton | Lausche | Williams, Del. |
| Curtis | Miller | Young, N. Dak. |
| Dirksen | Morton | |
| Dominick | Mundt | |

NAYS—51

| | | |
|--------------|----------------|----------------|
| Anderson | Holland | Montoya |
| Bayh | Hollings | Morse |
| Bible | Inouye | Muskie |
| Brewster | Jackson | Nelson |
| Burdick | Jordan, N.C. | Pastore |
| Byrd, Va. | Kennedy, Mass. | Proxmire |
| Byrd, W. Va. | Long, Mo. | Randolph |
| Cannon | Long, La. | Ribicoff |
| Church | Magnuson | Sparkman |
| Dodd | Mansfield | Spong |
| Eastland | McCarthy | Stennis |
| Ellender | McClellan | Symington |
| Fulbright | McGee | Talmadge |
| Gore | McGovern | Tydings |
| Harris | McIntyre | Williams, N.J. |
| Hayden | Mondale | Yarborough |
| Hill | Monroney | Young, Ohio |

NOT VOTING—15

| | | |
|----------|---------------|----------|
| Baker | Gruening | Metcalf |
| Bartlett | Hart | Moss |
| Clark | Hartke | Pell |
| Ervin | Hatfield | Russell |
| Griffin | Kennedy, N.Y. | Smathers |

So the amendment of Mr. WILLIAMS of Delaware was rejected.

MESSAGE FROM THE HOUSE—
ENROLLED BILL SIGNED

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 10368) making appropriations for the legislative branch for the fiscal year ending June 30, 1968, and for other purposes; and it was signed by the Vice President.

INTEREST EQUALIZATION TAX
EXTENSION ACT OF 1967

The Senate resumed the consideration of the bill (H.R. 6098) to provide an extension of the interest equalization tax, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. LONG of Louisiana. Mr. President, I send to the desk a number of technical amendments and ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Is there

objection to the consideration of the amendments en bloc? Without objection, it is so ordered.

The amendments offered en bloc by Mr. LONG of Louisiana, are as follows:

Page 18, line 9, after the semicolon insert "or".

Page 18, line 10, strike out "his" and insert "its".

Page 26, line 6, after "if" insert "either".

Page 34, line 18, strike out "Transfer of Custody Certificates" and insert "transfer of custody certificates".

Page 42, line 21, strike out "amendment" and insert "amendments".

Page 43, line 4, strike out "4717(d)" and insert "4917(d)".

Page 43, line 6, strike out "Amendments" and insert "Extension".

Page 43, line 12, strike out "amendment" and insert "amendments".

Page 56, line 12, before "maintains" insert "and".

Page 56, line 18, strike out the comma.

Page 57, line 23, strike out "of this section".

Mr. WILLIAMS of Delaware. Mr. President, I understand these are technical amendments.

Mr. LONG of Louisiana. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc.

The amendments were agreed to en bloc.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. McCARTHY. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Minnesota will be stated.

The legislative clerk read the amendment, as follows:

On page 36, line 15, strike out "or".

On page 36, line 20, strike out "decendent." and insert "decendent, or".

On page 36, after line 20, insert the following:

"(iii) a United States person who after July 18, 1963, transferred such property (whether or not for consideration) to a trust created by him for the benefit of the members of his family (within the meaning of section 318 (a) (1)), if such trust is the person acquiring such obligation."

Mr. McCARTHY. Mr. President, this amendment was considered by the committee and action was postponed pending further study by the Treasury. We received a letter from the Treasury dated July 24, which supports the amendment.

The amendment extends to trusts upon living persons essentially what is extended to trusts involved in estates. It provides that interest equalization shall not apply on the assumption of a debt liability when property is put into trust and then the trust sells it.

If the amendment is adopted, there is a likelihood of a sale of approximately \$2 million that will be made in a foreign country, all of which, as I understand, eventually will be repatriated to the United States. This money will be subject to the capital gains tax of the United States.

If this amendment is not adopted, extending the same kind of exemption to this kind of trust obligation that we have already applied to testamentary trust ob-

ligations, there will be no discouragement for reinvestment in foreign investments or no inducement for repatriation of the funds.

I therefore urge, with the support of the Treasury of this particular amendment, that it be adopted at this time.

Mr. LONG of Louisiana. Mr. President, as the Senator has stated, this amendment was not agreed to in committee for the reason that more information was wanted on it. This amendment applies to a situation which will actually improve the balance of payments for this country. The amendment relates to a situation in which property outside the country is to be sold and the person who is expected to buy it is a foreign citizen. This would cause money to flow to this country, to the extent of the cash received and still more later on as the mortgage note is paid off.

The House bill took care of this situation with regard to American citizens who prior to the effective date of this act in 1963, owned property and wanted to sell it to foreigners who would give a note for it and in turn pay it off to the American who sold it.

The Senate committee amended the bill to provide that if, instead of being a living person, it were a testamentary trust—in other words, a trust created by a will—the same result would occur. The Senator's amendment applies to an inter vivos trust set up by a person who was living at the time the trust was established.

There is no real basis for disagreeing to the amendment in view of the fact that we provide that an American citizen or a U.S. testamentary trust would have the same consideration the Senator seeks to grant to the inter vivos trust. The amendment the Senator offers would actually help with our balance of payments, and therefore help what we are trying to accomplish, in that it would apply to a transaction in which American-owned real property would be disposed of to a foreign person, with the result that the money paid for the property would flow to this country. In that respect, it would help our balance of payments.

There are so many different things involved in these international transactions that it is impossible for the Treasury to foresee each transaction, and to say whether they would be for it or against it, if it were desired to amend the act.

But the Treasury Department did send me a letter which stated that the Treasury does not object to the amendment.

The letter says:

Such extension of the exclusion, if applied on a prospective basis, as are the other extensions in the bill, falls within the spirit of the extensions already agreed to, and would not be objected to by the Treasury.

In other words, the Treasury sees no problem with the principle involved in the amendment.

I hope that the amendment will be agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I cannot support the amendment. For 2 days we have been hearing the argument that this tax should be extended because it would help our balance of payments. We now are hearing the

argument in reverse. This amendment, if adopted, would exempt from that tax one individual, and one individual alone, and the amount of tax involved is around \$350,000.

Let us face what is being proposed. The Senate has just decided that it wishes to extend this tax for 2 years. Now, the pending amendment, if agreed to, would exempt one person, one person only from that tax on a \$2 million sale. I understand that the tax involved is a minimum of \$325,000, and it could be a maximum \$445,000 tax.

I repeat, let the Senate understand what this amendment does. As for the Treasury Department's letter, the Treasury Department is not always right. It oftentimes operates on both sides. This is not prospective; in effect this is retroactive tax relief in that it describes but one taxpayer, and it involves a property transaction that took place between 1963 and 1967.

I oppose the amendment.

Mr. GORE. Mr. President, once again we see an amendment offered from the floor on a bill out of the Committee on Finance, without the approval of the committee, accepted by the chairman of the committee. This is a practice that has led the Senate to a sad end before.

This is not a good amendment. I ask for a rollcall.

The yeas and nays were ordered.

Mr. LAUSCHE. Mr. President, may I ask the Senator from Delaware a question? Do I understand correctly that this is an amendment that will apply to only one individual?

Mr. WILLIAMS of Delaware. It is my understanding that that is the situation.

Mr. LAUSCHE. Has anyone denied the claim of the Senator from Delaware that it would apply as a special tax exemption?

Mr. McCARTHY. Mr. President, if the Senator will yield, this is prospective. It will apply only to trusts selling property and taking a note for it in the future.

Mr. WILLIAMS of Delaware. In the future it would apply prospectively, but this is retroactive.

Mr. LONG of Louisiana. Mr. President, it is only prospective as to the time of taking the debt and selling the property. It will apply to any trust arrangement of this kind, which is similar to what we have already granted as related to estates, to testamentary trusts, and to individuals. This amendment would provide that inter vivos trusts would be subjected to the same exemption.

Mr. GORE. Mr. President, the fact that an amendment is prospective lends no merit to it. It just opens up a loophole to be taken advantage of. That is what prospective means.

This amendment should be defeated.

Mr. LONG of Louisiana. Mr. President, the Senator from Tennessee was not present in the committee room when the committee discussed the amendment. I regret that he was not present. At his place there was a pamphlet which explained the amendments. It indicated that the Treasury had no objection to the amendment.

The Treasury has subsequently sent

us a letter to explain that the Treasury is of that view. I regret that the Senator from Tennessee did not read it, or was not in the room at the time it was discussed.

What we were dealing with was simply the problem that when an American wishes to sell property outside this country, and a foreigner will pay him for that property, that helps with our balance of payments. We put the tax on securities which Americans acquired from foreigners. So if an American sells a property, and he takes a mortgage note, the mortgage note is subject to the interest equalization tax, just as though he had bought any other foreign security, such as stock in a foreign company.

That being the case, we already had a House-passed provision that said if an American owned this property—just an ordinary American; if Russell Long owned a piece of property in a developed country prior to 1963, and wanted to sell it, and take a note and let a Frenchman or an Englishman pay him the money over a period of time, the transaction was exempt. The Treasury saw no problem with the amendment, because it was felt that it would help with the balance of payments problem by making money flow in this direction. The Treasury said, "If that is what your problem is, we have no problem with it."

So the bill came to us, and during our consideration, someone pointed out, "Wait a minute, that is all fine, but suppose someone left this property in a will, or it winds up in a trust which was set up by a will, and the trustees would like to sell the property and achieve exactly the same result? Why should it not apply to a testamentary trust also?"

The committee said, "Fine." That was unanimously agreed to.

The only difference here in the amendment before us is that the trust was set up by a gift inter vivos, rather than a trust by testament. What is different in saying that every living American and every trust set up by a will would be treated alike? On what basis would you treat it differently if it was a trust inter vivos, if the man was living and wanted to set up a trust for his children? It is all the same.

That in effect is what the Treasury letter says. If Senators can think of any other category of persons who might fit this type of situation, we would be in favor of treating them the same way also.

This is a situation which has not yet been consummated, and probably will not be consummated, because of the interest equalization tax, if the amendment is not agreed to. If the amendment is agreed to, it would mean some additional money would come this way.

It does not affect any of my constituents in Louisiana, and is of no particular moment to me, but I say it is right. There is a Treasury letter saying much the same thing.

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

Mr. LONG of Louisiana. May I add that the procedure employed with reference to this amendment is perfectly proper and no one is trying to put any-

thing over on anyone. This amendment was suggested to the committee in a statement which is a part of the printed hearing of the committee on this bill. The amendment was explained to the committee members by our staff during our deliberations on the bill. When someone on the committee said he wanted additional information on it, the amendment was passed over, but it was agreed that the amendment might well be offered on the Senate floor with the committee's blessing after the necessary information had been obtained and the Treasury had reviewed the matter. That information was obtained, Treasury did review the matter and posed no objection to the amendment and thus a distinguished member of the committee has offered it as a floor amendment. With this background, it is perfectly proper for the Senator from Louisiana to accept the amendment on behalf of a majority of the committee members.

It is a prospective amendment. No one knows what the revenue involved would be. The Treasury thinks there is nothing wrong with the amendment, and I agree. They said so before the committee. I think to fail to agree to the amendment would be doing somebody an injustice, because the fact that a gift was an inter vivos gift would not mean that it differed essentially from a trust by testament.

Mr. GORE. Mr. President, I remember another prospective amendment which went into the law—a provision by which a rich man in the United States, even in contemplation of death, could liquidate his holdings and invest in real estate in any foreign country on earth, and then his heirs could sell that property, bring the money home, and completely avoid the payment of any tax whatsoever, income or estate.

Fortunately, I led a fight to repeal that provision. It was repealed.

The Treasury Department, contrary to the statement of the distinguished chairman of the committee, does not recommend this provision. It does not say it is a good thing. I read the last sentence, which is the conclusion:

Such extension of the exclusion, if applied on a prospective basis, as are the other extensions . . . falls within the spirit of the extensions already agreed to.

It does not say that the others already agreed to are good things.

It falls within the spirit of the other extensions and would not be objectionable to the Treasury. That is not a recommendation. That is an acquiescence.

What I really object to is the writing of tax amendments ad hoc here on the floor of the Senate.

It is immaterial that I was not present at the particular hour of the day when this matter was before the committee and the committee took no action. What is important is that we are about to write into law here an amendment, the sole virtue of which is that it is prospective. That is true of all tax amendments. They are all prospective.

It is a prospective windfall for somebody who is in a position to take advantage of it.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a question?

Mr. GORE. Not just now. I will yield in a moment.

I think that this is not good practice. What Senator really knows the extent to which this may be a windfall? Even the Treasury does not make an estimate. It is unable to do so. The chairman of the committee does not make an estimate. The author of the amendment does not make an estimate.

What is the fiscal effect of this? Who will be the beneficiary? Let us wait until the committee acts and the Senate can then act on the advice of one of its duly constituted committees and not by an impromptu procedure on the floor of the Senate.

Mr. LONG of Louisiana. Is the Senator aware of the fact that the other amendments to which the letter refers would fall in the same category and the Treasury did recommend them?

Mr. GORE. I am aware that there are other exclusions in the bill. However, I am not aware that the Treasury recommends this.

Mr. LONG of Louisiana. The other two amendments were recommended by the Treasury, and the letter says that they fall in the same category.

Mr. GORE. Similarity is a loose term in tax law. There is nothing precise or exact in this recommendation except that it does not express recommendation. I would call it acquiescence.

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

Mr. LONG of Louisiana. I yield.

Mr. PASTORE. Mr. President, the Senator made the statement that if the pending amendment is not agreed to, this transaction will probably not be consummated.

Mr. LONG of Louisiana. The Senator is correct.

Mr. PASTORE. We are talking about the disposition of property in a foreign country. Does the Senator mean that the American will not sell that property if he has to pay the tax?

Mr. LONG of Louisiana. I mean that the property will not be sold to a foreigner and therefore no tax will be owed. If the property can be sold to a foreigner by this American trust, the money would then flow this way. However, if the tax were to apply, the probabilities are that the property would not be sold to a foreigner.

If the property is sold to an American, no tax would be owed.

Mr. PASTORE. If an American were to buy the property, would he not have to pay a tax on it?

Mr. LONG of Louisiana. He would not have to pay a tax if he buys it from an American. If an American buys it from another American, no interest equalization tax would be owed. If a foreigner were to buy it from an American, he would not owe a tax at that point. However, if he gives the American a note for the property, and the American accepts that note, a tax is then owed on the note.

Mr. PASTORE. What if he gives him cash?

Mr. LONG of Louisiana. There would be no tax owed. This is what is involved. The House considered the problem and the House said with regard to everybody that if an American citizen wanted to

sell property to foreigners and take back notes and money for it, that would help our balance of payments. Otherwise the transaction would not occur. If the transaction did not occur, that would not help our balance of payments.

So, the House sent us a bill and recommended that if an American wanted to sell his property which he held before July 18, 1963, and take a note for it that would be all right because it would bring money back here and help with our balance of payments. We are for that, and the Treasury recommended that.

When the measure got to our side, the committee agreed without objection on a matter concerning almost exactly the same problem—that if an American owned the property and transferred it by will to a trust which then sold the property to a foreign person, the answer would be the same. The Treasury said that they agreed with that.

Nobody suggested it in the House. The trust which acquired the property from an American citizen by will ought to be treated the same as the American citizen who had owned the property continuously.

The committee agreed to that at a time when we had sparse attendance in the committee room. One Senator said that he would like to go into the matter further with regard to an inter vivos trust which, as the Senator knows, is set up when a person is still alive. That is the only difference between a testamentary trust and an inter vivos trust. One is set up when a person is living.

The Treasury saw no problems with the inter vivos trust.

Mr. PASTORE. If there is a testamentary disposition of the property, there would be an exclusion. But if this were something done during one's lifetime, he would not have an exclusion.

Mr. LONG of Louisiana. The Senator is correct.

Mr. PASTORE. This would equalize it in both cases.

Mr. LONG of Louisiana. The Senator is correct.

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

Mr. LONG of Louisiana. I yield.

Mr. HOLLAND. What is the significance of the 1963 cutoff date by which property must be acquired?

Mr. LONG of Louisiana. That is the date that the tax went into effect. They said, "All right, if you owned the property before 1963, the date that the tax went into effect, and you want to sell it and take a note for it, we will not subject that note to the interest equalization tax because the transaction actually helps us with our balance of payments. However, if you acquired it after the 1963 date, we might then be dealing with funds that you took out of the United States after the tax went into effect. In that event, there might be a different answer."

Mr. HOLLAND. The purpose of the cutoff date is to prevent trading after the date on which the law itself went into effect?

Mr. LONG of Louisiana. The Senator is correct.

Mr. HOLLAND. It is to apply the exclusion only to property that had been acquired before the date of the law.

Mr. LONG of Louisiana. The Senator is correct.

Mr. HOLLAND. The exclusion, if adopted, would apply only to property acquired prior to the 1963 cutoff date and deemed to someone as a trust *inter vivos*.

Mr. LONG of Louisiana. The Senator is correct.

Mr. WILLIAMS of Delaware. Mr. President, the amendment itself does have retroactive features. Let us face it.

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

Mr. WILLIAMS of Delaware. I yield.

Mr. GORE. Mr. President, the Senator is saying that this amendment is both prospective and retroactive.

Mr. WILLIAMS of Delaware. Yes, it has a retroactive feature. This is an amendment to cover just one case. There is no question about it. In order to confine the amendment to one case it reads:

A United States person who after July 18, 1963, transferred such property (whether or not for consideration) to a trust created by him for the benefit of the members of his family (within the meaning of section 318(a)(1)), if such trust is the person acquiring such obligation.

That defines one specific trust. This property was transferred to the trust after July 18, 1963, but before this date. It had to be retroactive to take care of this one case.

It is true, as the Senator from Louisiana pointed out, that the tax itself would be prospective because if they sell it next month the tax would be due next month but gives a retroactive description of just one piece of property. There is no question but that if the pending amendment is agreed to it would mean a tax saving of a minimum of \$325,000 and a maximum of \$450,000. And it deals only with one particular transaction and involves one person.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. What is the name of the trust that is involved?

Mr. WILLIAMS of Delaware. I do not have the name of the trust. It is not mentioned in the Treasury letter. This was discussed in the committee, and there is just one case involved.

It involves a \$2 million transaction, and without the amendment the tax would be between \$325,000 and \$400,000.

Mr. LONG of Louisiana. Mr. President, the date of 1963 is in this amendment for the same reason that it was in the House amendment and in the committee amendment that was agreed to—because the Treasury Department wants to be sure that the money involved is not money that was taken outside the United States after that date.

Mr. President, I do not know the people involved. But the principle here is right. We had done the same thing for everyone else except where there was an *inter vivos* trust. I cannot see why we should not do it in this case too.

This matter is described on page 239 of the committee hearings. Anyone who wishes to look at it can do so. There is a statement submitted by Mr. Roger Carter.

In the committee the Senator from Delaware said he wanted more time to

study it, and he has now had as much time as we can allow to study it.

It is difficult for me to understand why the Senator would think this is special interest legislation. The amendment would make this treatment available for an *inter vivos* trust on the same basis as for a trust by testament. It would seem to me to be exactly the same. I do not understand why he did not make such a fervent stand against the committee amendment that was agreed to unanimously. I do not know who was interested in that one, except that it made sense, and the Treasury Department thought it was right, and it was agreed to on that basis. I still would not know who would be the beneficiary of this amendment, and the Senator from Minnesota has informed me that he does not know. But I think it is right, and so does the Treasury Department.

It is a matter of tax inequality if you do not give these people the same consideration that the House and the committee gave to the others.

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

Mr. LONG of Louisiana. I yield.

Mr. GORE. Mr. President, in order to complete the record, may I say that the case was presented, as the chairman has said, by a lawyer named Roger M. Carter. It involves an estate in real estate property in the Bahamas—cottages, beach property—of considerable trust holding. The estimates given to the committee in executive session are in the order of \$2.5 million.

The amendment, however, is not confined to special treatment of this case. It provides the same special treatment for any case that happened to fall within the provisions of the amendment. I believe it is inequitable insofar as it affects this particular taxpayer. I do not know how inequitable it might be in circumstances of which we do not now know but for which we make provision prospectively. What I seriously object to is the procedure of writing technical tax amendments on the floor of the Senate, without adequate consideration in the committee.

Mr. LONG of Louisiana. Mr. President, the Senator was not in the committee when the amendment was considered. I am sorry he was not. I am sure he would have voted against it. The Senator wanted to be recorded against all amendments and for the bill, which is all right with me. But the Constitution says that any citizen has a right to petition Congress; and if we in the committee who were present to consider it and vote on it, and we on the floor who are present to consider legislation and vote on it were to take the view that we are simply against any petition that a taxpayer brings in—when even the Treasury Department said it creates no problem—if we are going to say that because we believe there is merit to a taxpayer's suggestion we are voting special-interest legislation, the provision in the Constitution that assures a taxpayer the right to petition Congress is indeed meaningless.

To the same extent, it is our duty to consider any American's problem—any taxpayer, even a nontaxpayer—and if

his cause is meritorious and he deserves some sympathetic consideration by his government, he is entitled to be treated fairly and to be treated as others are treated.

If we pass legislation to benefit one taxpayer, we should think carefully of the precedent with regard to others and be prepared to treat others similarly, under similar circumstances, on the basis that everyone has equal rights under the Constitution and under the laws of this country. So far as I am concerned, this is what I have done. I have studied this matter; I understand it.

I am not casting any aspersion or suggesting any improper motive on the part of those who might not agree with me. But I believe, as one who does the best he can, as the Lord gives him the light to see it—and sometimes the light may not be very good—we should do our best to treat taxpayers fairly in considering this legislation; and to this day I do not know who would be benefited by the proposed amendment.

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

Mr. LONG of Louisiana. I yield.

Mr. GORE. I do not know what merit is added to the discussion by the able chairman referring to the fact that I was not present when the committee considered the proposed amendment. It is not important, but let the record show that I did attend the committee that day, from 10 to approximately 12 o'clock. I had to leave. I left my proxy with the chairman to report the bill, but to vote me against the amendment and some other amendments which I had considered. My staff had submitted to me a memorandum with respect to this particular amendment, and I left my proxy with the chairman, after 2 hours in attendance, to be recorded against it. So I do not know why the chairman three times states to the Senate that I was not present. It certainly does not add anything to the merit of the debate.

The Senator has said that he does not impute any improper motives to anyone. Nor do I. I question the validity and the wisdom of this type of procedure, however—of bringing an amendment to the floor of the Senate for the benefit of one taxpayer, of which we have knowledge, but prospectively for any other taxpayer who may or may not come under these particular circumstances. This is not questioning motives. It is questioning the prudence and wisdom of such procedure.

Mr. LONG of Louisiana. This amendment is prospective since there is no tax owed.

Mr. GORE. It is tailor-made for this taxpayer, but others might qualify.

Mr. LONG of Louisiana. Any *inter vivos* trust that made a similar sale and took an obligation in return would come under the amendment. This sale has not been consummated. The amendment is prospective so far as the taxpayer is concerned.

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

Mr. LONG of Louisiana. I yield.

Mr. PASTORE. Apart from the interest equalization tax, is this subject to a capital gains tax?

Mr. LONG of Louisiana. That is my understanding.

Mr. PASTORE. I understand from what the Senator from Louisiana has said that, in the event that this transaction is consummated, the payment is to be made in American dollars, both on what is paid as a deposit and what is paid on the obligation notes.

Mr. LONG of Louisiana. The Senator's understanding is correct.

Mr. PASTORE. And this money comes back to the United States and the transaction is subject even then to a capital gains tax?

Mr. LONG of Louisiana. It is.

Mr. PASTORE. In other words, if a profit has been made between the purchase price and the selling price, they have to pay a capital gains tax, and that would be paid to the American Treasury.

Mr. LONG of Louisiana. Yes.

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

Mr. PASTORE. I yield.

Mr. GORE. That would be true whether the money comes back or not.

Mr. PASTORE. If they are paying in foreign currencies, there would be no obligation to the United States.

Mr. GORE. That is speculative.

Mr. PASTORE. This is paid in American dollars.

Mr. GORE. The Senator is making the point that if the American citizen earns a profit as a result of this, he brings the money back and pays taxes on it. As a matter of fact, he would have his tax liability waived whether he brought it back or did not bring it back.

Mr. PASTORE. That may be true, but if you allow the property to deteriorate, there would be no tax payable to the Treasury. The profit is in foreign land, and we would have no control over it. You keep it there and, if it goes to waste and deteriorates, no profit is made by the Treasury. If you facilitate the transaction not only would American dollars come back—this does have to be done in American dollars; is that right?

Mr. LONG of Louisiana. I am not sure about that.

Mr. PASTORE. That is the presentation made by this lawyer.

Mr. LONG of Louisiana. It probably would be paid in dollars because it comes back here.

Mr. PASTORE. And you have to pay a tax on any profit you make.

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

Mr. LONG of Louisiana. I shall yield in a moment, but first I wish to make the following comment.

The Senator from Tennessee said he objects to a procedure whereby a Member in this Chamber offers an amendment and the chairman of the committee says that he supports the amendment. Mr. President, that statement seems incredulous. Since the day I came to the Senate, I have seen Senators come to committee chairmen and say, "Here is an amendment; I want to offer it; I hope you will agree to it." And I have seen the committee chairmen, accept these amendments. Since I have been handling bills on the floor, Senators have come to me and said, "I hope you will

agree." Ordinarily if someone came to me with a floor amendment I would suggest that they show it to the Senator from Delaware [Mr. WILLIAMS], the ranking minority member, and let him consult with those on his side, and I would consult with those on my side, because unless it is shown to the Senator from Delaware he would probably object to it.

Mr. President, with regard to this amendment, it was well known what the position of the Senator from Delaware was going to be. He was prepared to speak with respect to the amendment. As far as I am concerned, I understood the amendment, perhaps not as well as the Senator from Delaware, but I had an understanding of it; it had been discussed in the committee, by the Treasury, and it had the favorable response of the Treasury.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. WILLIAMS of Delaware. Mr. President, the Senator from Louisiana did advise me earlier today that he thought this amendment was going to be offered, and he told me that if it was he thought he would support it. I told him I thought I would oppose it. I was aware what was going on. I oppose the amendment.

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

Mr. LONG of Louisiana. I shall yield in a moment.

The committee had before it a great number of proposals—as a guess, about 10—that had some Treasury objection to them, and the committee saw fit to agree to only one of them.

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

Mr. LONG of Louisiana. Mr. President, I yield to the Senator from Iowa.

Mr. MILLER. Mr. President, I wish to propound two questions to the Senator from Louisiana.

Does the Senator from Louisiana know whether or not any profit will be made if this property is sold? I mention this because the Senator from Rhode Island seemed to lay great emphasis on the fact that if it were sold there would be capital gains and some tax, but that is only if a profit is made on the transaction. Does the Senator from Louisiana know whether or not there will be a profit?

Mr. LONG of Louisiana. I honestly do not know.

Mr. MILLER. Does any member of the committee know?

Mr. MORTON. Mr. President, will the Senator yield to me?

Mr. LONG of Louisiana. I yield.

Mr. MORTON. Mr. President, I understand the property has not been sold. It will be sold if the amendment is agreed to, and at a profit. If the amendment is not agreed to the property will probably remain in its present state of ownership. I believe it is income-producing property but if it is sold it will be at a profit and the attorney so testified; and it then will be a capital gains recovery.

Mr. MILLER. I thank the Senator. Will the Senator from Louisiana yield for a further question, which perhaps the

Senator from Kentucky can answer, if the Senator from Louisiana is unable to.

Mr. LONG of Louisiana. I yield.

Mr. MILLER. I assume that the U.S. individual is still living. This was an inter vivos trust which was set up in 1964.

Mr. LONG of Louisiana. I am advised that the person is living; yes.

Mr. MILLER. My question is: The interest equalization tax was enacted in 1963. In 1964, this individual set up the inter vivos trust. In 1967, there is a problem regarding the application of this tax and the possible exemption.

Does the Senator know why this trust was established in 1964? Why did not the U.S. individual hang onto this property? Why was the trust established?

Mr. LONG of Louisiana. Mr. President, I understand this person set up the trust in 1964 for the benefit of his children and grandchildren. It was the same type of trust that one can set up as a testamentary trust which is provided for under the committee amendment.

Mr. MILLER. There was no attempt to avoid the interest equalization tax?

Mr. LONG of Louisiana. None whatsoever. I wish to add that if this person who is here involved had simply made the sale himself, instead of putting it in trust for his children, or if the trust had owned the property before July 1963, there would be no problem.

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

Mr. LONG of Louisiana. I yield.

Mr. LAUSCHE. Mr. President, the obscurity of the true facts, as reflected by the debate that has gone on, clearly indicates that it would be most ill advised to try to vote on this measure. I do not know, nor has the Senator from Louisiana been able to answer many of the questions that have been propounded. The committee members refused to act on the measure. We are now asked, with all this confusion, to declare that what has been proposed by proponents of the measure is clear and understandable.

Mr. President, I put the question to my colleagues: How many of my colleagues are clear as to what the proposal means? Yes. I was on the bench for 10 years. I practiced law for 10 years. Somebody may well take advantage of this, but my mind is in a complete state of confusion in trying to find out what the situation is.

Mr. President, I shall vote against the proposal.

Mr. LONG of Louisiana. Mr. President, I shall only take 1 more minute.

I wish to say to the Senator from Ohio that here is the working document, which is well prepared, from which the committee worked. It is established custom to proceed in this fashion. We proceed first with Treasury Department recommendations and we tried to determine what we thought about them. I believe we agreed to the Treasury recommendations without exception. Next we studied those proposals on which the Treasury had no objection. Then, we studied those which were opposed by the Treasury Department and looked at them.

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

Mr. LONG of Louisiana. I yield.

Mr. LAUSCHE. They said, "We have

no objection." I have listened to those words so long that I have been compelled to understand that there is a clear difference between "we support" and "we have no objection."

Mr. LONG of Louisiana. Senator, let me say that there is a distinction without it, especially where the Treasury recommended it with regard to this set of taxpayers and that set of taxpayers. These fall in the same category. They said, we have no objection, in this instance. In my judgment, that means they do support it.

Mr. MILLER. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. MILLER. I would like to ask the Senator from Louisiana a question. As I understand it, here is a property which was acquired in 1963.

Mr. LONG of Louisiana. Before 1963.

Mr. MILLER. Before 1963. Now the interest equalization tax was on the books in 1964, and in 1964 the trust was transferred to the inter vivos trust, and this individual held onto it but he could sell it without any application of the tax; is that not correct?

Mr. LONG of Louisiana. Under the provision of the House bill before us.

Mr. MILLER. So the rationale is that this is not the kind of transaction at which the tax was originally directed.

Mr. LONG of Louisiana. Exactly.

Mr. MILLER. The tax is not directed at that kind of transaction. They own some property and they want to sell it. I can understand that that should not be subject to tax, therefore; whereas, if they want to invest some money in the property after 1963, that is something else. As I understand it, that is the reason for the particular amendment before us.

Mr. LONG of Louisiana. That is right.

Mr. MILLER. Let me say that after that, I would raise my hand, too, that I do understand. I thought I did, but I am sure I do now.

I thank the Senator from Louisiana.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. McCARTHY].

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Pennsylvania [Mr. CLARK], the Senator from North Carolina [Mr. ERVIN], the Senator from Indiana [Mr. HARTKE], the Senator from New York [Mr. KENNEDY], the Senator from Montana [Mr. METCALF], the Senator from Utah [Mr. MOSS], the Senator from Rhode Island [Mr. PELL], and the Senator from Florida [Mr. SMATHERS] are necessarily absent.

I also announce that the Senator from Alaska [Mr. GRUENING], the Senator from Michigan [Mr. HART] and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

Mr. DIRKSEN. I announce that the Senator from Michigan [Mr. GRIFFIN] and the Senator from Oregon [Mr. HATFIELD] are absent on official business.

The Senator from California [Mr. KUCHEL] is detained on official business.

The Senator from Tennessee [Mr. BAKER] is necessarily absent.

On this vote, the Senator from Tennessee [Mr. BAKER] is paired with the Senator from Oregon [Mr. HATFIELD]. If present and voting, the Senator from Tennessee would vote "yea," and the Senator from Oregon would vote "nay."

The result was announced—yeas 45, nays 39, as follows:

[No. 197 Leg.]

YEAS—45

| | | |
|--------------|--------------|----------------|
| Anderson | Javits | Muskie |
| Bayh | Jordan, N.C. | Nelson |
| Bible | Long, Mo. | Pastore |
| Byrd, W. Va. | Long, La. | Percy |
| Dirksen | Magnuson | Proxmire |
| Dodd | Mansfield | Randolph |
| Eastland | McCarthy | Ribicoff |
| Ellender | McClellan | Sparkman |
| Harris | McGee | Spong |
| Hayden | McGovern | Stennis |
| Hill | McIntyre | Symington |
| Holland | Miller | Talmadge |
| Hollings | Mondale | Williams, N.J. |
| Inouye | Montoya | Young, N. Dak. |
| Jackson | Morton | Young, Ohio |

NAYS—39

| | | |
|-----------|----------------|----------------|
| Alken | Cotton | Monroney |
| Allott | Curtis | Morse |
| Bennett | Dominick | Mundt |
| Boggs | Fannin | Murphy |
| Brewster | Fong | Pearson |
| Brooke | Fulbright | Prouty |
| Burdick | Gore | Scott |
| Byrd, Va. | Hansen | Smith |
| Cannon | Hickenlooper | Thurmond |
| Carlson | Hruska | Tower |
| Case | Jordan, Idaho | Tydings |
| Church | Kennedy, Mass. | Williams, Del. |
| Cooper | Lausche | Yarborough |

NOT VOTING—16

| | | |
|----------|---------------|----------|
| Baker | Hart | Moss |
| Bartlett | Hartke | Pell |
| Clark | Hatfield | Russell |
| Ervin | Kennedy, N.Y. | Smathers |
| Griffin | Kuchel | |
| Gruening | Metcalfe | |

So Mr. McCARTHY's amendment was agreed to.

LEGISLATIVE PROGRAM—ORDER FOR ADJOURNMENT TO THURSDAY

Mr. DIRKSEN. Mr. President, prior to the third reading of H.R. 6098, I should like to ask the majority leader about the schedule for tomorrow and the balance of the week.

Mr. MANSFIELD. Mr. President, answering the question of the distinguished minority leader, I first ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 o'clock noon Thursday next.

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

Mr. MANSFIELD. On Thursday, the business before the Senate will be the District of Columbia revenue bill, the flammable fabrics bill, and, following those measures, the Export-Import Bank bill.

INTEREST EQUALIZATION TAX EXTENSION ACT OF 1967

The Senate resumed the consideration of the bill (H.R. 6098) to provide an extension of the interest equalization tax, and for other purposes.

The PRESIDING OFFICER. If there are no further amendments to be offered,

the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question now is on passage of the bill.

The bill (H.R. 6098) was passed.

Mr. COOPER subsequently said: Mr. President, I state for the RECORD that had I arrived in the Chamber in time, on the passage of H.R. 6098, I would have voted "yea."

Mr. LONG of Louisiana. Mr. President, I move to reconsider the vote by which the bill, H.R. 6098, was passed.

Mr. HOLLINGS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the bill, H.R. 6098, to provide an extension of the interest equalization tax, and for other purposes, as amended, be printed with the amendments of the Senate numbered and that in the engrossment of the amendments of the Senate to the bill the Secretary of the Senate be authorized to make all necessary technical and clerical changes and corrections, including corrections in section, subsection, and so forth, designations, and cross references thereto.

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

Mr. LONG of Louisiana. I move that the Senate insist on its amendments and ask for a conference with the House on the disagreeing votes thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. LONG of Louisiana, Mr. SMATHERS, Mr. ANDERSON, Mr. WILLIAMS of Delaware, and Mr. CARLSON conferees on the part of the Senate.

Mr. MANSFIELD. Mr. President for more than a day now the Senate has been witnessing the outstanding talents and unsurpassed abilities of the junior Senator from Louisiana [Mr. LONG] who handled so capably this measure which extends the Interest Equalization Act for an additional 2 years. Undoubtedly, as chairman of the Finance Committee, Senator LONG has demonstrated consistently one of the broadest and most profound understandings of this Nation's tax structure. His strong efforts in assuring the success of this measure are greatly appreciated. It is hoped that its effect in assisting our balance-of-payments problems will continue and indeed will be enhanced by the modifications offered.

Joining Senator LONG to assure this success was the junior Senator from Florida [Mr. SMATHERS] who has a similarly vast appreciation of the complexities of our financial structure. He, along with the senior Senator from Minnesota [Mr. McCARTHY], played a vital role in assuring final passage by an overwhelming margin.

The Senate is also grateful for the splendid cooperation exhibited by the senior Senator from Delaware [Mr. WILLIAMS] during the consideration of this

measure. As the ranking minority member of the committee, his views are always provocative and always most welcome. Similarly, the Senator from Tennessee [Mr. GORE], the Senator from Iowa [Mr. MILLER], and the Senator from New York [Mr. JAVITS] are to be commended for offering their keen analysis and their provocative views.

The Senate may indeed be proud of another achievement in adopting this bill with dispatch and with full consideration for the views of every Member.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S.J. Res. 88) authorizing the operation of an amateur radio station by participants of the XII World Boy Scout Jamboree at Farragut State Park, Idaho, August 1 through August 9, 1967.

INTER-AMERICAN HIGHWAY DEDICATION IN PANAMA, JULY 15, 1967, SYMBOLIZES COOPERATION OF THE AMERICAS IN VITAL TRANSPORTATION SYSTEM AND ECONOMIC PROGRESS—FINAL LINK IS COMPLETED AND OPENED TO TRAFFIC

Mr. RANDOLPH. Mr. President, on July 15, 1967, a delegation from the Congress joined our Ambassador to Panama, Charles W. Adair, Jr., the Governor of the Panama Canal Zone, Gen. Walter P. Leber, and representatives of our Bureau of Public Roads at a celebration incident to the inauguration of the 28½-mile Inter-American Highway project which completes the Panamanian portion of that vital road, and is the final link in the entire highway.

The ceremony was attended and participated in by the President of Panama, the Panamanian Ambassador to Washington, Ricardo Arias, and other high officials of that host country, as well as by the ambassadors to Panama from Great Britain, Japan, the Dominican Republic, Colombia, Venezuela, Uruguay, Honduras, San Salvador, Nicaragua, and Costa Rica, and the ministers of public works from most of the Central American countries, and other government and industry leaders.

As chairman of the Committee on Public Works and its Subcommittee on Roads, I joined with our delegation from the Congress composed of the Senator from Ohio [Mr. YOUNG], chairman of our Public Works Subcommittee on Flood Control-Rivers and Harbors; Representative JOHN C. KLUCZYNSKI of Illinois, chairman of the House Public Works Subcommittee on Roads; and Representatives ROBERT C. McEWEN of New York and ROGER H. ZION of Indiana, of the Public Works Committee of the House.

Mr. President, in a statement issued in Panama for the significant July 15 event, I said it was a privilege to be a guest because of my long interest in and association with the development of the In-

ter-American Highway, beginning in 1934. And I suggested that the opening of that highway to traffic, even though not quite completed 4 years ago, marked the realization of a dream of all of the Americas, and strengthened the ties between North America and Central America. It has taken 40 years to make the dream a reality, but in that time we have learned more than how to build highways through the jungle and over mountains. We have learned the lesson of cooperation. It has been only through the cooperative efforts of the governments involved and the people who make up those governments that this highway has come into being. Together we have crossed the peaks and separated the jungles, and in doing so we have brought to the peoples of the Americas an indispensable tool for achieving economic progress.

At approximately the same time the basic idea for this Inter-American highway was being developed, the United States was beginning its own national highway program. It does not take sophisticated studies to prove that all-weather roads are absolutely basic to the peaceful and prosperous development of a nation. The farmer must be able to move his produce to market and the manufacturer must be able to distribute his goods.

On April 27 of this year, the Senate of the United States enacted the extension and revision of the Appalachian Regional Development Act of 1965. The basic thrust of that legislation is to stimulate the economic revitalization of a large area which has not kept pace with the growth of the Nation as a whole. The failure of the Appalachian region to match the pace of the rest of the United States has in part been due to its physical isolation from the rest of the country. We are attacking that part of the problem through the construction of a 2,700-mile developmental highway system.

This road network, designed to high engineering standards, will facilitate the free flow of people and goods in and out and through this area. These highways are viewed as the skeleton on which the sinews of economic health for the region will be grown. The 2,700 miles of major highways will be supplemented and supported by the construction of 2,000 miles of local access roads. These roads will open many hitherto remote places.

Without good roads, it makes little difference how fertile the soil or how rich the natural resources. If the product of the farm and mine cannot be transported to centers of production and consumption, they mean little in terms of improving the well being of people.

I am particularly happy to be with you in Panama because I have been deeply interested in and concerned with the Inter-American highway and its development since I first entered the Congress of the United States in 1933. I have contributed in my years in the Congress support to the development of roads both in the United States and in nations which are bound to us with ties of friendship and economic interdependence.

The 304 miles of highway which have been completed in Panama will, I believe,

prove to be one of your basic natural resources. It will be the backbone of any transportation system designed to facilitate your domestic economic growth. It will provide a means for your people to move about, to improve themselves socially and culturally, as well as economically. It will give to them the opportunities for freedom of movement which the citizens of my country now take for granted.

I hope that we will have opportunities to meet often to celebrate the results of our cooperative efforts. I believe that when friends join together to mutually advance their best interests that there is no goal too difficult to achieve, no ambition which cannot be realized.

Mr. President, the Panama Division of our Bureau of Public Roads related to us these facts:

The inauguration of project 18-B of the Inter-American Highway from El Pajal to Guabala is of major significance not only to Panama but to the Central American Republics of Costa Rica, Nicaragua, Honduras, El Salvador, and Guatemala and, indeed, to all of the Americas—North, Central, and South of the Western Hemisphere—and especially to the Republic of Mexico and the United States of America. For with the completion of this project, travel within and between these countries can now be accomplished on a continuous highway some 3,142 miles in total length from Panama City to Laredo, Tex. Of this mileage 304 miles lie in Panama, 1,251 miles in the Central American Republics and 1,587 miles in Mexico. While several final asphalt surfacing projects in southern Costa Rica and northern Guatemala are yet to be completed, the highway is fully open, with an all-weather surface.

The opening of this final link is the culmination of the dream of an inter-American highway that dates from as far back as 1884, when such a proposal was made in the U.S. Congress. The Fifth Conference of American States held in Santiago, Chile, in 1923, recommended that an Automobile Road Conference be held looking toward the construction of automobile highways within and between different countries of the Americas. This is considered the genesis of the Pan American highway idea, of which the Inter-American Highway is a part.

The initial fund of \$1,000,000 made available by the U.S. Congress in 1934 to be expended on the Inter-American Highway saw the commencement of actual construction toward the fulfillment of that dream. This fund, used largely to build bridges, was accomplished as a cooperative project, with the United States furnishing technical assistance and materials such as steel—purchased in the United States—and the Central American Republics furnishing local materials and labor. The stately suspension bridge over the Chiriqui River is a product of that cooperative endeavor.

Now, with the ribbon cutting some 33 years later, and with the expenditure by the cooperating Republics and the United States which will total some \$304,000,000, the Inter-American Highway is an accomplished fact. The magnitude of this

cooperative program is unmatched either in expenditure or as a living example of cooperativeness between the United States and its neighbors in Central America and Panama. The highway officials and engineers of the cooperating countries can be proud of the roles they have played in this program and the final national asset which has resulted. Certainly, the officials, engineers, and technicians of the U.S. Bureau of Public Roads are justly proud of the roles they have played in the administration of the U.S. funds and in rendering technical guidance and assistance.

Through the years, some engineers have devoted the bulk of their professional careers to this vast program. Panama is superbly represented in this group by Don Tomas Guardia, whose entire adulthood has been devoted to both the idea and to the accomplishment of the Inter-American Highway. Twenty-one of his years were spent as chief engineer of the Carretera Interamericana. Such was his zeal and dedication to this cause that he has fittingly been accorded in Panama the affectionate title of "The Father of the Inter-American Highway" by his host of longtime friends and admirers. While he is unable, due to health, to participate on this occasion there can be no doubt that his spirit and achievements are hallmarks of this ceremony. I have been privileged to have his personal friendship for many years, as have other citizens of the United States.

Panama can well be proud of Don Tomas Guardia.

Invited to the ceremonies as an honored guest was another old timer, Edwin W. James. Now retired, and 90 years young, Mr. James was the guiding hand for the Inter-American Highway program for many years, and was the first Chief, Inter-American Regional Office, Bureau of Public Roads. He had planned to participate, but at the last minute his doctor recommended against the trip.

Pressure of official duties prevented Francis C. Turner, Director of Public Roads, from making the trip, Mr. Turner cabled Chief Engineer Mendez the following greetings and congratulations to Panama:

ERASMO MENDEZ,
Chief Engineer,
Panama, R.P.

The Bureau of Public Roads extends warm greetings and congratulations to Panama on the occasion of the inauguration of the Inter-American Highway. This accomplishment is an outstanding tribute to the high respect and cooperation that has long existed between Panama's Carretera Interamericana and the United States Bureau of Public Roads. My bureau wishes to commend the dedicated personnel of the Carretera Interamericana that have so successfully completed this important program. I sincerely regret that I will not be able to join you for this momentous ceremony.

F. C. TURNER,
Director of Public Roads.

Among honored guests representing the U.S. Bureau of Public Roads were: Angelo F. Ghiglione, Deputy Director for Operations, Washington, D.C., and president and U.S. delegate of the Darien Subcommittee; with whom I journeyed over the road in 1961, Norman B. Wood, Federal Highway Projects Engineer from

Portland, Oreg., and past chief, Inter-American Highway Region, with whom I made a trip over the partially finished road in 1946 when I was a member of the then House Roads Committee, and Perry Leaming, present regional engineer, Inter-American Highway Region, San Jose, Costa Rica.

The 305 miles of Inter-American Highway construction in Panama, from Panama City to the Costa Rica Frontier, commenced when the Panama Canal Company constructed the first section within the Canal Zone to Arraijan, completed in 1930. The next 11 miles to Chorrera were completed by Panama in 1939. During World War II years the construction of the next 55 miles of concrete pavement between Chorrera and Rio Hato was commenced by Panama and completed in 1942 by the U.S. Public Roads Administration.

After the war, and as a result of an exchange of letters in January 1951, between the U.S. Secretary of State Dean Acheson and Ambassador of Panama Don Rodolfo F. Herbruger, an Inter-American Regional Project Statement and Memorandum of Understanding was executed by His Excellency Alcibiades Arosemena, President of the Republic of Panama and Mr. Thomas H. MacDonald, Commissioner, U.S. Bureau of Public Roads, for continuing, to completion, the Inter-American Highway in Panama from Rio Hato to the Costa Rica Frontier, as funds became available. Working under that agreement projects were progressively constructed westward from Rio Hato and both easterly and westerly from David until, in 1964, there remained only this 28½-mile virgin section to construct. This project was let to contract in August 1964, with construction time so set as to permit completion of the concrete pavement in the dry season of 1968. By virtue of the capability of Contractor Morrison-Knudsen International and the close cooperation maintained between the contractor, the Panamanian engineers and Bureau of Public Roads engineers, this \$10 million contract was completed in record time, thus permitting the traveling public the use of the entire section of new highway from Santiago to Guabala, some 63 miles in overall distance, approximately 9 months ahead of schedule.

In accomplishing this creditable performance Morrison-Knudsen International proposed the use of the ultra-modern slip-form paving equipment to construct the Portland cement concrete pavement. This proposal was approved by the Panama Carretera Interamericana and the Bureau of Public Roads. The entire 28½ miles of pavement were constructed by the slip-form paving subcontractor J. W. Vickrey Inc., of Alamo, Calif., in the 3-month period between February 6 and May 5, 1967, another Inter-American Highway record. This was the first use of the slip-form paving method in Central or South America. In quality and riding smoothness the product is superior to any previous concrete placed in Panama.

The total cost of the construction of the Inter-American Highway in Panama from Rio Hato to the Costa Rica border is approximately \$55,200,000, of which

the Republic of Panama has contributed approximately \$26,200,000 or 47.5 percent and the United States has contributed approximately \$29 million, or 52.5 percent. Panama's election to pay from their own funds the extra cost to construct Portland cement concrete pavement rather than the bituminous surfacing used in the other Inter-American countries results in Panama's contributing considerably more than the minimum one-third required by the memorandum of understanding.

This fine new highway project, the final link of the Inter-American Highway, is likewise unsurpassed as an example of the accomplishment that can result when serious and dedicated officials cooperatively embark on a worthy undertaking for the betterment of the peoples of our hemisphere.

Mr. President, the remarks on behalf of the United States of America were those of our Ambassador, the Honorable Charles W. Adair, Jr., and I ask unanimous consent to have them printed in the RECORD, with the speech of Republic of Panama President Marco Aurelio Robles at the Los Ruices event in the Province of Veraguas.

There being no objections, the speeches were ordered to be printed in the RECORD, as follows:

REMARKS BY AMBASSADOR CHARLES W. ADAIR, JR. AT INAUGURATION OF LAST LINK OF INTER-AMERICAN HIGHWAY, JULY 15, 1967

This inauguration today marks the culmination of a dream of an Inter-American highway which dates at least as far back as 1884, when such a proposal was made in the United States Congress.

The genesis of the Pan American Highway idea, of which the Inter-American Highway is a part, is credited to the Fifth Conference of American States held in Santiago, Chile in 1923, which recommended that an Automobile Road Conference be held to consider construction of automobile highways within and between different countries of the Americas.

This 28½ mile stretch of the Inter-American highway which we are inaugurating today is the final part of a 3,142 mile highway from Panama City to Laredo, Texas. While several final asphalt surfacing projects in Southern Costa Rica and Northern Guatemala are yet to be completed, the highway is fully open, with an all-weather surface.

After 33 years of construction, an expenditure of some 304 million dollars, and fine cooperation among the Central American Republics, Panama and the United States, the Inter-American Highway is an accomplished fact.

Citizens of Panama and the United States, as well as those of the Central American Republics, may well be proud of this impressive cooperative effort. Not only has it accomplished its purpose of providing a remarkable road for intercommunication among our peoples, but it has developed stronger spiritual ties among us and augurs well for greater and greater ties within the Hemisphere in the years ahead of us. We can well congratulate one another and resolve that we will accomplish even greater things together in the future.

On the United States side, specifically, the officials, engineers and technicians of the Bureau of Public Roads are justly proud of the roles they have played in the administration of the U. S. financial contribution and in rendering technical guidance and assistance. Contractor Morrison-Knudsen International may be deservedly proud of the job they have done on this last stretch

of highway. Through their efforts along with those of engineers of Panama and the Bureau of Public Roads, the sector of the road is being opened approximately nine months ahead of schedule.

On the Panama side, I want to compliment especially the Panamanian engineers, many of whom have devoted their entire adulthood to the idea and accomplishment of the Inter-American Highway. Special mention is due to Don Tomás Guardia who spent 21 years as Chief Engineer of the Carretera Interamericana. His zeal and dedication to this project deserve the thanks of all of us. While he is unable, due to health, to be with us today, I am sure he is with us in spirit.

Compliments also are due to Ing. Erasmo Méndez Icaza who last year succeeded Don Tomás Guardia and has guided this project through its completion in Panama.

The interest and encouragement given this project, as given to many projects in the interior, by President Robles is as satisfying to him as it is to those who will benefit directly from regular use of this splendid artery of communication.

I hope, and I am sure that all of you here hope, that this highway will bring a new prosperity to the provinces of the interior and will accelerate the economic development of the entire country.

SPEECH BY REPUBLIC OF PANAMA PRESIDENT, MARCO AURELIO ROBLES, AT LOS RUICES, PROVINCE OF VERAGUAS, AT THE OFFICIAL OPENING OF THE FINAL LINK OF THE INTER AMERICAN HIGHWAY, JULY 15, 1967.

The project we are inaugurating today is a legitimate achievement of the Panamanian nation, and it is, at the same time, a contribution of extraordinary significance to the integration of Central America. It could well be said that the paving of this final link of the Pan American Highway, extending from the border which unites us with our sister Costa Rican nation to our capital city, is doubly symbolic of the integration reality: because it unites us in a manner that is more comfortable, secure and rapid with the countries of Central and North America, and because it also unites, internally, the different regions of our Republic.

Many years have gone by since the Panamanian people began its efforts to build what was then called the Central Highway, initiated during the administration of Dr. Belisario Porras and continued by Mr. Rodolfo Chiari and Mr. Ricardo J. Alfaro. Great was the effort involved in the initiation of the project from Mensabé and Aguadulce, in a creative action which opened the nation to progress, development and the utilization of its natural and human resources.

Since then, organizations such as the Office of the Inter American Highway and the U.S. Bureau of Public Roads have participated in the process of constructing the Central Highway. The financing and construction of this project is evident proof of the effective configuration that international cooperation can achieve.

We hereby wish to express our acknowledgment of the decisive and valuable aid the Government of the United States has given towards the financing of this magnificent feat, the extension of which, from Rio Rato to the Costa Rican border, is 370 kilometers and represents an investment of fifty five million, one hundred eighty seven thousand dollars, to which Panama contributed the sum of twenty six million, one hundred eighty one thousand dollars, and the United States, twenty nine million dollars.

I must mention the valuable participation of Mr. Enrique A. Jimenez, under whose government the studies starting at Rio Hato began in October, 1945, as well as of those who succeeded him in office, who at all times gave ample backing to the project, which

constitutes one of the highest and most important investments of the country. Worthy of special mention is the outstanding performance of Mr. Tomas Guardia who, with his consecration, dedication and enthusiasm, contributed as much as anyone else to the realization of this project. The Nation owes this meritorious citizen a special acknowledgement for his contribution to the development of the Panamanian road system. I must recall also the efforts of such civic organizations as the Lions Club and the Rotary Club, which promoted a national campaign to obtain the contribution of the private sector in the paving of a sizeable portion of the highway in the provinces of Chiriquí and Coclé.

The inauguration of this concrete highway, to be followed by the construction of a new highway between Chorrera and Panama which my administration proposes to undertake, will open ample opportunities of more efficient communication and insures new incentives for the progress of the nation.

Building roads means shortening the distances between peoples and nations. The more extensive and wider the roads that extend their routes through our countries, the more united we will be, the more we will understand each other, deeper, more sincere and closer will be the relationship of our friendship. These paths, which progress turns into solid streaks of cement for the transportation of products and commercial trade, are also incentives for the embracing of cultures, for learning customs, and for the finding of formulas of understanding and harmony for political and social ideals agreements.

When nations, as well as people, have the opportunity of converting into amicable knowledge between neighbors the relations heretofore separated by distance and time, they begin to discover their true realities. And this mutual understanding brings forth the affinities and sympathies, as differences and disagreements tend to disappear, above all in the case of communities that, as those on our continent, are united by roots of common origin, of similar history and of parallel cultures.

Political divisions, geographic boundaries, frontiers of one kind or another, even though they do not constitute material demarcations, tend always to estrangement and misunderstanding. If, besides the existence of such dividing landmarks, there is also the separation caused by the absence of means of communication which permit and facilitate direct inter-communication, and the easy access over the solid and firm reality of the earth, the efforts that governments and private initiatives can make to seek closer relationships yield little positive and lasting results. It is these highways, over which the common and ordinary man can transit without making great efforts nor costly sacrifices, that truly not only shorten distances but also affirm understanding and turn into tangible and practical realities the ideals of brotherhood and integration such as those set forth by the visionary genius of the Liberator Simon Bolivar.

For Panama, this project means that the efforts made during several decades to open its doors to her sister nations of Central and North America now begin to be an effective reality. With its termination, we are saying to the neighboring and friendly governments and peoples that, with the same sincerity with which we opened the soil of our country in order to shorten marine distances and facilitate communications between continents, we also open, wide open, the frontiers of the nation so that through them those who wish to know us and enjoy our cordial friendship and our humble but warm hospitality, may come to the very soul and heart of Panama.

The termination of this section of the Pan American Highway, which is the main avenue of the land communications of the country, also means that Panama is advancing firmly

towards its own internal integration, towards a positive association of all regions and all sectors with the active life of progress and socio-economic and political growth that is on an accelerated march towards a future of welfare and prosperity for our people.

May I be permitted to render heartfelt tribute to the thousands of laborers, artisans, professionals and technicians, both national and foreign, who have contributed their efforts over a period of several decades to the realization of this project. They fought to open trails through the jungles, to span the bridges over rivers, to build the road that today stands as a hope materializing into impressive reality, and running through Panamanian territory. They have proven that in our country there is the capacity and the natural and human resources to solve the most difficult problems and to undertake the most complex tasks, the duties of greatest responsibilities to ourselves and to the outside world.

I am sure that I interpret the deepest and most sincere feeling of my people when I express great satisfaction over the fact that representative personalities from Central and North American countries have attended this inaugural ceremony. Having them with us on this transcendental occasion means that not only today do we have, as always, their solidarity and loyal friendship, but also that these ties will grow and strengthen as a logical consequence of the process of improvement and development to which countries like ours are dedicated.

Mr. RANDOLPH. Mr. President, it is fortunate that this monumental and useful highway will, in the words of President Robles, contribute to the "process of improvement and development" of the Americas.

ORDER FOR RECOGNITION OF SENATOR COOPER ON THURSDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the conclusion of the reading of the Journal on Thursday next, the distinguished Senator from Kentucky [Mr. COOPER] be recognized for not to exceed 20 minutes.

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

TO ESTABLISH A SPECIAL COMMISSION ON CIVIL STRIFE

Mr. HARRIS. Mr. President, jointly with the distinguished junior Senator from Minnesota [Mr. MONDALE], for ourselves and on behalf of the senior Senator from Oklahoma [Mr. MONRONEY], the Senator from North Dakota [Mr. BURDICK], the Senator from Maryland [Mr. TYDINGS], and the Senator from Missouri [Mr. LONG], I introduce today a joint resolution establishing a Special Commission on Civil Strife, authorizing the Commission established to investigate riots and civil strife in cities and urban centers of the United States, and to report and make recommendations on an emergency basis for the prevention of such riots and the elimination of the causes thereof.

Mr. President, since 1961, according to information compiled for me by the Library of Congress, there have been about 128 riots of national importance in the United States. Some have involved Negroes; some have involved whites; some have involved both.

I ask unanimous consent, Mr. Presi-

dent, that the text of the proposed joint resolution be printed in the RECORD.

The PRESIDING OFFICER. The Joint resolution will be received and appropriately referred, and, in accordance with the request of the Senator from Oklahoma, will be printed in the RECORD.

The joint resolution (S.J. Res. 97) establishing a Special Commission on Civil Strife; authorizing the Commission established to investigate riots and civil strife in the cities and urban centers of the United States and to report and make recommendations on an emergency basis for the prevention of such riots and the elimination of the causes thereof, introduced by Mr. HARRIS (for himself and other Senators), was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

S.J. RES. 97

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

SECTION 1. Riots and civil strife in many of the cities and urban centers of the United States constitute a domestic crisis which must be met and dealt with on an emergency basis.

SEC. 2. Lawlessness and violence cannot be tolerated or condoned in the American society, founded on law.

SEC. 3. Equality of social, economic and political opportunity is the foundation of American society and must be made real, immediately, for all American citizens.

ESTABLISHMENT OF COMMISSION

SEC. 4. In accordance with the above-stated Declaration of Policy, there is hereby created a Special Commission on Civil Strife to be composed of nine members, appointed by the President of the United States. In making such appointments, the President shall give due consideration to the need for representation on such Commission of the Executive, Legislative, and Judicial Branches of the Federal Government, Municipal and State authorities and informed citizens, and he shall also give consideration to appropriate representation from racial groups and political parties.

SEC. 5. It shall be the duty of the Commission to report and make recommendations, as hereinafter provided, to the President of the United States and the House of Representatives and Senate of the United States, for urgent action to accomplish the following objectives: (a) the establishment immediately, of regular and orderly procedures within the Executive Department of the Federal Government, with a permanent office to be located in the Office of Emergency Planning or as may be determined, for advisory services and appropriate Federal action, in cooperation with local and state authorities, to prevent or quell riots and accompanying lawlessness and violence immediately upon eruption or threatened eruption of the same, which procedures could be called into operation rapidly enough in the earliest stages of such disorder or threatened disorder as to effectively prevent or limit the same; (b) immediate action required for the elimination from American life of the root causes of long-standing bitterness and hostility resulting from existing racial discrimination and inequality of social, economic and political opportunity; and (c) immediate action required for assistance to state and local authorities to carry out the provisions of this section and the above-stated Declaration of Policy.

SEC. 6. The Commission shall make its first preliminary report and recommendations, as

herein provided, within one (1) month from the effective date of this Act and shall make its final report, as herein provided, not later than six (6) months from the effective date of this Act.

ORGANIZATION AND OPERATION

SEC. 7. The Commission shall elect a Chairman and Vice Chairman from among its members.

SEC. 8. (a) The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, in accordance with the provisions of the civil service laws and the Classification Act of 1949, as amended.

(b) The Commission may procure, without regard to the civil service laws and the classification laws, temporary and intermittent services to the same extent as is authorized for the departments by section 15 of the Act of August 2, 1946 (60 Stat. 810) but at rates not to exceed \$75 per diem for individuals.

(c) The Commission is authorized to negotiate and enter into contracts with private business and nonprofit research organizations, including universities and other educational institutions, to conduct such studies and to prepare such reports as the Commission feels necessary in order to discharge its duties.

(d) Financial and administrative services (including those related to budgeting, accounting, financial reporting, personnel, and procurement) may be provided the Commission by the General Services Administration, for which payment shall be made in advance, or by reimbursement, from funds of the Commission in such amounts as may be agreed upon by the Chairman of the Commission and the Administrator of General Services: *Provided*, That the regulations of the General Services Administration for the collection of indebtedness of personnel resulting from erroneous payments (5 U.S.C. 46d) shall apply to the collection of erroneous payments made to or on behalf of a Commission employee, and regulations of said Administrator for the administrative control of funds (31 U.S.C. 665(g)) shall apply to appropriations of the Commission: *And provided further*, That the Commission shall not be required to prescribe such regulations.

SEC. 9. Five members of the Commission shall constitute a quorum.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 10. (a) MEMBERS OF CONGRESS.—Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) MEMBERS FROM THE EXECUTIVE BRANCH.—The members of the Commission who are in the executive branch of the Government shall serve without compensation in addition to that received for their services in the executive branch, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(c) MEMBERS FROM PRIVATE LIFE.—The members from private life shall each receive \$100 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

POWERS OF THE COMMISSION

SEC. 11. (a) HEARINGS AND SESSIONS.—The Commission, or any member thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings and sit and

act at such times and places and take such testimony, as the Commission or such member may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before such member.

(b) OBTAINING OFFICIAL DATA.—The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this Act; and each such department, bureau, agency, board, commission, office, independent establishment, or instrumentality is authorized and directed, to the extent permitted by law, to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

EXPENSES OF THE COMMISSION

SEC. 12. There are hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this Act.

TERMINATION OF COMMISSION

SEC. 13. The Commission shall cease to exist thirty days after submitting its final report as required by this Act.

Mr. HARRIS. I further ask unanimous consent to have printed in the RECORD at this point the list of riots compiled by the Library of Congress, with attached news reports and other articles relating to that list.

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

[From the Library of Congress, Legislative Reference Service]

RIOTS: 1961 TO SEPTEMBER 25, 1966

1961

Birmingham, Alabama, May 14—a white mob attacked "freedom riders."

Anniston, Alabama, May 14—a white mob stoned and burned a bus carrying "freedom riders."

Montgomery, Alabama, May 20—a white mob attacked "freedom riders."

Chicago, Illinois, June 27—a white mob threatened to destroy a Lutheran Church to which the Red Cross had brought Negro fire refugees; the Negroes were taken to a Negro church.

Monroe, North Carolina, August 27—a fight occurred between white persons and Negroes after demonstrators, including "freedom riders," began to picket the courthouse.

McComb, Mississippi, November 29—a white mob attacked Negroes attempting to desegregate the city bus terminal.

1962

Los Angeles, California, April 27—a battle occurred between police and Black Muslims after a policeman was attacked when he questioned an individual in the street.

Oxford, Mississippi, September 30—October 1—a white mob attacked U.S. marshals enforcing compliance with court orders for the registration of James Meredith, a Negro, at the University of Mississippi; rioting was suppressed by Federal troops.

Kialoch, Missouri, September 23—25—rioting by Negroes in an all-Negro village occurred after a Negro policeman shot to death a Negro youth.

Florence, South Carolina, October 13—Negroes rioted when a Negro policeman arrested a Negro woman.

Washington, D.C., November 22—Negro students attacked white spectators and police after a football game at D.C. Stadium.

1963

Birmingham, Alabama, May 12—Negroes rioted after a home and a motel owned by Negro leaders were bombed.

Lexington, North Carolina, June 6—Ne-

groes and white persons battled; racial "high tension" was reported as the cause.

Savannah, Georgia, June 20—Negroes attacked police and damaged property after 300 Negro demonstrators were arrested.

Savannah, Georgia, July 11—Negroes rioted after 70 Negro demonstrators were arrested.

Cambridge, Maryland, July 12—white people reacted violently to one of a series of demonstration marches; white persons invaded the Negro area; shooting became widespread throughout the city.

Charleston, South Carolina, July 17—Negroes attacked police after the latter arrested demonstrators.

Cambridge, Maryland, July 20—white persons assaulted National Guardsmen in an attempt to invade a Negro area.

Chicago, Illinois, July 29—August 2—sporadic violence by white persons and Negroes occurred after three Negro families moved into a white neighborhood.

Chicago, Illinois, August 12—Demonstrators attacked police attempting to clear a construction site of obstructive demonstrators.

Birmingham, Alabama, August 20—Negroes attacked police after a bomb exploded in the garage of a Negro leader.

Folcroft, Pennsylvania, August 30—white persons protesting against admission of a Negro family into a housing development damaged the family's house and attacked police.

Philadelphia, Pennsylvania, October 29—Negroes rioted after a policeman shot to death a Negro who attacked him with a knife.

1964

Jacksonville, Florida, March 24 and days following—after conviction of Negro sit-ins and shooting to death of a Negro woman by a sniper, Negro gangs fought police, attacked white persons, damaged property; riot marked first major use of Molotov cocktails in race riots.

Cleveland, Ohio, April 7—Negroes attacked police with stones and other missiles after a white minister, demonstrating at a school construction site, was run over and killed by a bulldozer.

Cambridge, Maryland, May 26—Negroes attacked National Guardsmen with missiles when the soldiers prevented them from fighting with a group of white persons.

St. Augustine, Florida, June 25—segregationists broke through police line and attacked integrationist demonstrators.

Henderson, North Carolina, July 12—Negroes and white persons fought when Negroes sought service at a truck-stop restaurant.

New York City (Harlem and Brooklyn), N.Y., July 18-23—after a police lieutenant shot to death a Negro who attacked him with a knife, Negroes attacked police, damaged property, and looted.

Rochester, New York, July 24-25—Negroes attacked police, damaged property and looted after police attempted to arrest a disorderly Negro.

Jersey City, New Jersey, August 2-4—Negroes rioted after police arrested two Negro women for fighting.

Elizabeth, New Jersey, August 11-13—Negroes attacked police with Molotov cocktails, damaged property; not sparked by any apparent incident.

Paterson, New Jersey, August 11-14—Negroes damaged property; no apparent reason for rioting.

Dixmoor, Illinois, August 15-17—Negroes picketed a liquor store whose white owner had accused a Negro woman of stealing a bottle; the picketing degenerated into violence in which both Negroes and white people took part.

Keansburg, New Jersey, August 28—white persons and Negroes fought after a young white man insulted and attacked a Negro.

Philadelphia, Pennsylvania, August 28-31— a Negro policeman, later aided by two other officers, forcibly arrested a Negro woman for

public disorder; a Black Nationalist leader excited a crowd against the police by charging police brutality; Negroes attacked police, damaged property, and looted.

1965

New York (Brooklyn), N.Y., February 17-18—hundreds of Negro students taking part in a school boycott conducted by the City-wide Committee for Integrated Schools attacked police with bricks, and damaged property.

Waterbury, Connecticut, March 26—Negroes attacked police after an officer arrested a Negro youth who, with two others, was blocking a sidewalk and refused to move on when ordered to do so.

District of Columbia, April 23—Negroes attacked two policemen when they arrested two Negroes for disorderly conduct.

Bogalusa, Louisiana, May 20—white persons attacked Negroes attempting to integrate a city park.

Paterson, New Jersey, May 28—Negroes attacked two policemen when they arrested a Negro driver for speeding and hitting parked cars.

Bogalusa, Louisiana, May 29—white persons fought with Negro demonstrators.

Bogalusa, Louisiana, July 17—white persons attacked Negro demonstrators.

Danbury, Connecticut, July 24—Negro and white youths fought at a drive-in restaurant.

Sodus, New York, August 1—Negroes attacked two policemen when they shot in the leg a Negro who had attempted to shoot an officer and had tried to flee after his gun misfired.

Los Angeles (Watts), California, August 11-17—rioting broke out after policemen arrested a Negro for drunken driving and resisting arrest and his brother and mother for attacking them, and after arresting a young Negro woman for spitting at them and a man for inciting to violence. Negroes attacked police and white persons, damaged property, and looted.

Chicago, Illinois, August 12-13—Negroes attacked white persons with bottles, bricks, and rocks, and damaged property. The second night's rioting occurred after a fire truck hit a traffic standard that fell and killed a Negro woman.

Elizabeth, New Jersey, August 25-26 (one night)—Negroes broke store windows, hurled fire bombs, and threw rocks and other missiles at fire trucks; an incident said to have sparked disturbances was (falsely) alleged failure of police ambulance to answer quickly emergency call for Negro.

1966

Birmingham, Alabama, January 11—Negro students stoned police after civil rights workers urged them to leave classes and join a demonstration.

Tuskegee, Alabama, January 15—Negro students damaged property after a Negro student was arrested for fighting.

Los Angeles (Watts), California, March 15—Negroes attacked white persons, damaged property, and looted.

Lorman (Alcorn A and M College), Mississippi, April 4—Negro youths attacked police acting to halt a demonstration.

Washington, D.C., April 11—Negro students stoned police cars, ambulances and private cars, and other property after visiting Glen Echo Amusement Park.

Los Angeles (Venice, Willowbrook), California, May 8—Negroes attacked police with rocks and bottles.

Bakersfield, California, May 22-23—Negroes threw rocks and firebombs.

Los Angeles (Watts), California, May 23—Negroes attacked police and white persons after police arrested a Negro for throwing a rock at a police car.

Philadelphia, Mississippi, June 21—White persons attacked demonstrators; later, at least one shot was fired by a white man into a group of Negroes, and Negroes fired back.

Cleveland, Ohio, June 24—Negroes threw rocks at cars and damaged other property; white motorists shot and wounded a Negro youth.

Cordele, Georgia, June 29—Negroes and white youths exchanged gunfire for 90 minutes; tension had risen after a racial confrontation at an integrated swimming pool several days before.

Omaha, Nebraska, July 2-6—Negroes threw rocks at police cars, damaged property, and looted; no initial incident reported.

Des Moines, Iowa, July 4-6—Negro youths threw rocks in a public park on two successive nights.

Chicago, Illinois, July 12-15—Rioting began after police turned off fire hydrants in a Negro area. Negroes claimed hydrants were left on in adjoining Italian area—police had turned off hydrants in both areas, but residents in Italian area turned them back on at night. Negroes attacked police and firemen with firearms, firebombs, and other missiles, damaged property, and looted.

South Bend, Indiana, July 17—Rioting occurred in a Negro neighborhood, involving throwing of stones, bricks, bottles; not evidently sparked by any incident.

Jacksonville, Florida, July 18-19—a Negro demonstration developed into a riot in which Negroes attacked white persons and damaged property with rocks and firebombs.

Cleveland, Ohio, July 18-22—Negroes attacked police and firemen with firearms, damaged property with missiles and firebombs, and looted; rioting was apparently spontaneous.

Brooklyn, New York, July 21-23—Negroes fought white people and police with firearms, firebombs, and other missiles; rioting was preceded by outbreaks of violence one to two weeks previous.

Baltimore, Maryland, July 28-29—white youths invaded a Negro area and attacked residents; battles between Negroes and whites ensued.

North Amityville, New York, July 28—Negroes threw stones and bottles at police after a meeting to improve police-community relations; violence was apparently spontaneous.

Perth Amboy, New Jersey, July 30—August 2—Puerto Rican youths threw rocks and bottles in the streets for four consecutive nights; no triggering incidents reported.

Los Angeles (Watts), California, July 31—Negroes attacked police with bricks and bottles.

Pacoima, California, July 31—Negroes attacked police with rocks and bottles.

Chicago, Illinois, July 30, 31, August 3, 5, 7—white people attacked police and marchers demonstrating for open housing with rocks and bottles, and set fire to demonstrators' cars.

Providence, Rhode Island, August 1-2—fighting between Negroes and police occurred on two nights after Negroes held a "black power" meeting.

Minneapolis, Minnesota, August 3-4—Negro youths damaged property on consecutive nights.

Menlo Park, California, August 5—Negro youths attacked police with rocks and bottles.

Lansing, Michigan, August 7-8—white youths attacked Negroes, and Negroes reacted by damaging property with bricks and other missiles, throwing firebombs at passing cars, and attacking white youths.

Detroit, Michigan, August 9-10—Negro and white youths fought each other in a racially mixed neighborhood; bricks and firebombs were thrown.

Grenada, Mississippi, August 8-10—white persons hurled cherry bombs, pieces of metal and other missiles at civil rights demonstrators.

Muskegon, Michigan, August 13—a large crowd, mostly Negroes, gathered around a police car answering a call at a hotel where Negroes reportedly attacked white persons; a police officer was struck in the face; after

police dispersed the crowd, a group damaged property and looted.

District of Columbia (Anacostia), August 13—Negro youths roamed streets throwing rocks after arrest of a robbery suspect; August 16—Negro youths threw rocks, bottles, fireworks at 11th Precinct Police Station House after police arrested a youth; Negro youths threw bricks at passing cars and buses.

Waukegan, Illinois, August 27-28 (three nights, with two riots in one 12-hour period)—Negroes attacked cars with firebombs (six passengers in a passing car were burned) and other missiles and damaged other property; triggering incident was apparently the arrest of a Negro youth for throwing a bottle in the street.

Los Angeles (Watts), California, August 29—Negroes attacked policemen who sought to question them; other Negroes attacked policemen when they tried to stop a fight.

Dayton, Ohio, September 1—Negroes stoned buses, damaged property, and looted, after motorists, reportedly white, shot to death a Negro.

Jackson, Michigan, August 31-September 1—Negroes and white men fought each other, and cars and other property were stoned.

Atlanta, Georgia, September 6—Negroes damaged cars, including two police cars, after a policeman shot and wounded a Negro suspected of car theft; September 10-12—Negroes threw rocks and firebombs on three consecutive nights after a white motorist shot a Negro to death and wounded another.

[Summarized from press reports]

RIOTS IN THE UNITED STATES—SEPTEMBER 27, 1966-JUNE 22, 1967*

San Francisco, California, September 27, 1966: Several hundred Negroes set fires, broke store windows, looted stores and threw rocks at police cars, following a white policeman's shooting of a Negro youth running from a stolen car. Three policemen, a fireman and a grocer were hurt by flying rocks and bottles. (Police shooting of the young Negro was later declared by a coroner's jury to be justifiable.)

San Francisco, California, September 28, 1966: Riots spread to other parts of the city. One newspaper reported "They are shooting at anyone that is white". National Guard troops were used to restore some order. More than 80 persons were injured.

St. Louis, Missouri, September 28, 1966: Roving Negroes threw rocks and smashed store windows following the shooting of a Negro prisoner by a policeman. (An integrated coroner's jury later found the shooting to be "justifiable homicide.")

Oakland, California, October 19, 1966: Bands of Negroes smashed store windows, looted, started fires with gasoline bombs, and assaulted passersby after arrest of a Negro woman for a traffic violation. Forty-seven business firms were damaged, 5 whites were beaten in East Oakland. Five white teachers and 3 white students were beaten in Castle-mont High School.

Clearwater, Florida, November 1, 1966: An estimated 400 Negroes engaged in vandalism and threw rocks at cars driven by white persons.

Ossining, New York, November 1, 1966: About 400 Negro youths rioted, smashed store windows, stomped one policeman unconscious and injured 6 other policemen.

Tuskegee, Alabama, December 9, 1966: About 700 Negro students at Tuskegee Institute looted a liquor store, smashed windows and rioted for 3 hours. The Negroes were said to have been "unhappy" over court acquittal of a white man accused of fatally shooting a student of the Institute.

* Supplementing a list prepared in the Legislative Reference Service of the Library of Congress covering the period 1961 to September 25, 1966.

Nashville, Tennessee, April 10, 1967: Several hundred Negro students of Fisk University and Tennessee A. and I. State University rioted on the nights of April 8, 9, and 10. Snipers fired at policemen. At least 17 persons were injured. On April 10 the Tennessee House of Representatives, the Nashville Banner and some Negro leaders blamed the riots on the presence of "black power" advocate Stokely Carmichael. Two of his aides were arrested for inciting to riot. The Tennessee House of Representatives passed a resolution asking the U.S. Immigration and Naturalization Service to deport him to Trinidad, his birthplace.

Cleveland, Ohio, April 16, 1967: Violence erupted on the northern boundary of Cleveland's East Side Hough area (predominantly Negro). A rash of rock throwing, store window smashing and looting was reported.

Louisville, Kentucky, April 20, 1967: Police fired tear gas into a crowd of more than 1,000 hostile whites who were taunting open housing demonstrators. The mob retaliated by hurling a barrage of bricks and bottles.

Washington, D.C., April 28, 1967: Three white persons riding in a truck which gave out of gas, and a Negro who tried to help them, were "severely beaten" by a gang of about 60 Negroes in Northeast Washington.

Wichita, Kansas, May 10, 1967: A gang of Negroes beat two white high school athletes and set fire to a business establishment.

Jackson, Mississippi, May 11, 1967: National Guard infantry was used to quell a riot raised by 1,000 Negroes at Jackson State College in protest against the arrest of a speeding motorist by two Negro policemen. One Negro was fatally wounded.

San Francisco, California, May 15, 1967: Gangs of roving Negro youths stoned automobiles. Other incidents of violence and vandalism, including breaking of store windows and theft, were reported, also assault on white students by Negro youths in two high schools.

Houston, Texas, May 16 and 17, 1967: Hundreds of students rioted at predominantly Negro Texas Southern University. One policeman was killed and two others shot. The foreman of the grand jury said the trouble was caused by "a few agitators."

Chicago, Illinois, May 21, 1967: A crowd of Negroes threw stones and bottles at police during a two-hour disturbance following a memorial service for the Black Nationalist leader Malcolm X. Three policemen and other persons were injured. Thirty persons were charged with inciting to riot.

Clearwater, Florida, June 4, 1967: About 200 rock-throwing Negroes rioted following an attempt by a white policeman to aid a Negro police officer trying to break up a fight between two Negro men.

Boston, Massachusetts, June 5, 1967: A "sit-in" by a group of women welfare recipients erupted into a 4-night riot as "more than 1000" persons hurled stones and bottles, and fired and looted stores in a predominantly Negro neighborhood. About 75 persons, including 29 policemen, were injured.

Philadelphia, Pennsylvania, June 11, 1967: Brick-and-bottle-throwing rioting in a Negro section followed a dispute over a rug. Four policemen were injured.

Prattville, Alabama, June 12, 1967: Negroes angered by the arrest of Stokely Carmichael exchanged gunfire with police for 3 hours. Ten Negroes were charged with inciting a riot.

Tampa, Florida, June 13, 1967: Two nights of rioting in a 60-square-block Negro district occurred after a policeman shot and killed a Negro burglary suspect who refused to halt. Rioters set fire to an entire block, smashed windows and raided stores, including a gun shop, in a 4-block area, and shot at police. Roving mobs chanted "Get Whitey, get Whitey". (The shooting of the burglary suspect was later ruled justifiable by the states attorney.)

Cincinnati, Ohio, June 13, 1967: "Thousands" of teen-agers and young adults rioted in three of the city's predominantly Negro sections, hurling Molotov cocktails, smashing store windows, looting, and starting fires. Eight persons, including 2 policemen and 2 firemen, were reported injured. Damage was estimated at more than \$1 million.

Dayton, Ohio, June 14, 1967: Gangs of Negro youths smashed shop windows and threw rocks following a speech by Rap Brown, head of the Student Nonviolent Coordinating Committee.

Atlanta, Georgia, June 22, 1967: Violence erupted on 6 blocks of the predominantly Negro Dixie Hills section during the nights of June 18-21 inclusive. Snipers shot at police and roving bands of Negroes tossed bricks and bottles, set fires and looted stores after black power advocate Stokely Carmichael exhorted those attending a rally, telling them "we need to be beating heads." One Negro man was killed and 3 other persons were injured during a clash between police and residents. Militant advocates of "black power" branded as "traitors" Negro youth patrols that were organized to help the peace.

[From the Washington Post, July 18, 1967] MAJOR 1967 RIOTS—19 CITIES HIT BY VIOLENCE BEGINNING IN MAY

Outbreaks of Negro violence in the Nation during 1967:

Omaha—About 200 Negro youths smashed windows, looted stores and damaged police cars April 1-2 in ghetto shopping center. Twenty-one persons arrested.

Houston—One policeman was killed and two others injured in rioting on campus of Texas Southern University, a predominantly Negro school, May 16-17. Police arrested 489 students in mass campus roundup.

Chicago—Ten persons, including three policemen, injured in May 21 melee touched off when two white women tried to participate in Black Nationalist ceremony honoring late Malcolm X. Twenty-two persons arrested. Police arrested 37 persons in May 30 racial battle in suburban forest preserve.

Nashville—Students of three predominantly Negro colleges, charging police brutality, rioted for three nights starting April 8. Two persons wounded in rock and bottle attacks on police.

Jackson, Miss.—Police arrest of a Negro student sparked two nights of rioting near Jackson State College May 12-13. One Negro was killed in sporadic gunfire. National Guard restored order.

Boston—One hundred persons injured during four days of racial violence in Roxbury district June 2-5. Police arrested 73 persons. Damage estimated at \$1 million.

Tampa, Fla.—A white policeman shot a Negro burglary suspect June 11 and Negro mobs stormed through streets, smashing windows, setting fires, stoning motorists. More than 100 persons arrested. Damage estimated at \$2 million before peace restored by National Guard.

Prattville, Ala.—Snipers exchanged gunfire with police after arrest of Stokely Carmichael for disturbing the peace on June 11. Three policemen and a dog handler wounded. National Guardsmen arrested 10 persons.

Cincinnati—National Guard called out to quell Negro rioting June 12-16 that brought 365 arrests, one death, six injuries and \$2 million in damage. Violence flared again July 3-5, bringing 19 arrests and \$1 million damage.

Lansing, Mich.—Negro gangs on West Side hurl rocks and bottles at police, injuring three persons. Two youths arrested.

Atlanta—Rioting broke out in Dixie Hills June 19 after address by Carmichael at rally protesting shooting of Negro youth by Negro policeman. One Negro killed and three others injured in three nights of street skirmishing.

Buffalo—More than 100 persons injured and 240 arrested during three nights of

Negro rioting June 27-29. Conservative damage estimate from fires, looting and vandalism was \$250,000.

Des Moines—Rock and bottle throwing melee involving Negro gangs July 2 resulted in six arrests. Recurrence of violence July 16 brings 17 arrests.

Kansas City, Mo.—Police used tear gas to disperse 150 Negroes July 9 at a park after crowd dented police cars and broke windows with rocks and bottles. Eleven persons arrested, one injured.

Waterloo, Iowa—Negroes stoned passing cars and looted some stores July 10 in an outgrowth of two previous nights of minor disturbances. Five persons were injured.

Erie, Pa.—Negro youths, apparently after a police breakup of a street-corner dice game, smashed car windows and threw bottles at police July 12-13. Nine youths arrested.

Hartford, Conn.—Eleven policemen were injured in Negro flareups July 12-13. Bricks and Molotov cocktails thrown through six store windows. Twenty persons arrested.

Newark—Twenty-four persons, all but two of them Negroes, died in a flareup of racial rioting highlighted by sniping and looting. More than 1600 persons were arrested in the rioting which broke out Wednesday night and entered its sixth day Monday.

Plainfield, N.J.—A policeman was shot to death with his own pistol Sunday in the third day of racial violence in which more than 50 persons have been arrested or injured.

Waterloo, Iowa.

Detroit, Mich.

Cambridge, Md.

[From the U.S. News & World Report, June 26, 1967]

RIOT SEASON—HOW HOT WILL IT GET?

Violence spread across America, breaking out in city after city. This time, much of it was accompanied by angry talk of race war, threats of more to come from riot leaders. There were signs that this riot season might become the worse one yet.

THE SPREAD OF RACIAL VIOLENCE

These 27 cities have been hit by outbursts of racial violence in 1967:

East

Boston, Mass. Rochester, N.Y.
Philadelphia, Pa.

South

Tampa, Fla. Houston, Tex.
Prattville, Ala. Jackson, Miss.
Montgomery, Ala. Nashville, Tenn.
Clearwater, Fla. Baton Rouge, La.
Louisville, Ky.

Midwest

Cincinnati, Ohio Massillon, Ohio
Chicago, Ill. Dayton, Ohio
Cleveland, Ohio Youngstown, Ohio
Wichita, Kans. Maywood, Ill.
Lansing, Mich. Middletown, Ohio

West

Los Angeles, Calif. San Diego, Calif.
San Francisco, Calif. Vallejo, Calif.
Sacramento, Calif.

In a single week in mid-June—

Negroes rioted, burned and looted in Cincinnati, Ohio, and Tampa, Fla.

Negroes fought a gun battle with police in Prattville, Ala., and marched against police barricades in Alabama's capital city, Montgomery.

Gangs of Negro youths rampaged in the streets of Dayton, Middletown and Youngstown, Ohio, and Maywood, Ill., threw rocks at police in Lansing, Mich., and Philadelphia, Pa.

Negroes hurled bricks and bottles at firemen on the fringes of Watts, the Los Angeles riot area of 1965.

National Guard troops were called to action in Tampa, Prattville, Montgomery and Cincinnati.

"If fired upon, return fire and shoot to kill," was the order given to National Guardsmen in Ohio.

SPREADING VIOLENCE

By June 17, outbreaks of racial violence had occurred in 27 cities—with the predicted "long, hot summer" still ahead.

Involved in the spreading outbreaks of June were Stokely Carmichael, militant agitator for "black power," and the Student Nonviolent Coordinating Committee (SNCC) which he once headed.

Mr. Carmichael was arrested in Prattville, June 11, where police quoted him as saying: "We came here to tear this town up and we're going to tear it up."

The next day, the new SNCC chairman, Rap Brown, said:

"We recognize and accept yesterday's action by racist white America as a declaration of war. . . . We are calling for full retaliations from the black community across America."

Rap Brown and the man he calls his "minister of defense," Willie Ricks, turned up in Dayton just before Negro violence erupted there on June 14. Mr. Brown told a Negro gathering.

"How can you be nonviolent in America, the most violent country in the world? You better shoot that man to death; that's what he's doing to you."

"Defense Minister" Ricks, after the meeting, informed newsmen that he and Mr. Brown were in Dayton "to make white men get on their knees."

TOWARD A RACE WAR?

Mr. Brown told "The Dayton Daily News" that the U.S. "seems headed for a race war between the blacks and the whites."

On June 15, Mr. Brown turned up in riot-torn Cincinnati and told a cheering audience of Negroes:

"SNCC has declared war."

As violence spread from city to city, signs appeared of more violence to come.

The National Welfare Rights Movement announced it will promote demonstrations in 25 cities on June 30 to protest alleged inadequacies of welfare payments. One such demonstration by an affiliated group touched off four days of Negro rioting in Boston in early June.

A "New York Times" survey found:

"Throughout upstate New York, New Jersey and Connecticut, dissatisfaction and pent-up anger scar Negro communities on such issues as schools, jobs, housing and, less often, police relations."

Officials in many cities moved to detect rumblings of trouble in Negro neighborhoods and head off the development of large-scale riots.

President Johnson, on June 13, expressed concern and said: "We are trying to do everything we can in co-operation with the cities, the counties, the States and private employers to minimize the tensions that exist."

Ohio's Republican Governor, James A. Rhodes, criticized the Federal Government's programs against racial unrest as "haphazard and inept."

Official attitudes hardened as Negro attitudes grew more belligerent.

STRONG STAND IN OHIO

Governor Rhodes declared that Ohio will not permit "professional agitators, looters and hoodlums" to run riot. He announced that in the future the Ohio National Guard will be called out to quell disturbances whether such action is requested by local officials or not.

In Congress, three Southern Representatives moved to force an anti-riot bill out of committee onto the House floor for an early vote.

"How much more looting and killing is going to take place before we act?" asked Representative William Cramer (Rep.), of Florida.

Mr. Cramer cited Mr. Carmichael's presence in Alabama and said that representatives of the Congress of Racial Equality (CORE) had been in Tampa. He told the House:

"Let's not kid ourselves. This is a national conspiracy. These things don't just happen."

SUMMIT CONFERENCE

In the midst of the June rioting, nine civil-rights leaders came together in a "summit conference" and announced the nearest approach to unity that they have achieved in years of dissension.

They agreed to co-operate in a joint attack on what they called the "underlying causes" of unrest: "inequality and injustice."

Cleveland, highly regarded as a potential riot spot, was picked by the civil-rights leaders as their No. 1 target. There, they said, they hope to provide a "working model" for co-ordinated programs in other trouble spots.

This is the fourth consecutive summer to be marked by Negro riots. Seldom if ever before has trouble broken out in so many spots in so short a time.

Violence began on Sunday, June 11, in Prattville, a county seat near Montgomery, Ala. It was set off by the arrest of Mr. Carmichael on a charge of disorderly conduct after he allegedly threatened a police officer outside a civil-rights rally at a church.

GUARD MOVES IN

Shots were fired at patrol cars. Three officers and a dog handler were wounded. A gun fight developed and 150 National Guardsmen were sent to the scene. They surrounded a house that appeared to be a center of resistance and arrested 10 of its 25 occupants. The fighting ended.

Negroes then marched on the State capitol in Montgomery. National Guards turned them back one day, police barricades stopped them the next.

Mr. Carmichael told the marchers:

"These white-helmeted cops are your enemies."

Tampa exploded on June 12, after a policeman shot a Negro youth running from the scene of a burglary.

For three nights, Negroes by the hundreds rampaged through the city's slum areas, setting fires, looting stores and beating white persons.

Florida's Governor Claude Kirk sent in 500 National Guardsmen to aid 350 police and 150 armed deputies in battling the mobs.

NEGROES HELP END RIOT

Tampa officials credited a squad of 150 young Negroes with helping to end the violence. The youths toured the Negro areas, telling potential troublemakers: "We don't need no more trouble."

When the battle of Tampa ended, more than 100 Negroes had been arrested, 20 persons injured, several buildings burned and looted.

An official inquiry brought the ruling that the shooting which started the trouble was "justifiable homicide."

Cincinnati also erupted on June 12. That trouble followed the murder conviction of a Negro and the arrest of a picket protesting the conviction.

Roving gangs of Negroes set fires with "Molotov cocktails," threw bricks and rocks through store windows, looted stores, attacked automobiles.

After National Guardsmen with bayonets and policemen with riot guns broke up the mobs, Negroes switched their tactics to hit-and-run raids.

In Cincinnati's four days of violence, dozens of persons were injured, more than 260 were arrested. Damage was estimated at nearly 2 million dollars.

FROM CITY TO CITY

From Cincinnati, trouble spread to Dayton, Youngstown and Middletown, Ohio.

In Dayton, city officials said a show of police strength prevented vandalism from turning into a riot. Last year it took National Guard troops to put down a riot in Dayton.

The Negro rampage in Maywood, Ill., was interpreted as a demand by Negro youngsters for a swimming pool.

At mid-June, Los Angeles and Philadelphia, scenes of major riots in the past, had escaped with comparatively small outbursts.

In Warren, Mich., there was racial trouble of another kind. White neighbors hurled rocks and epithets at the home of a Negro man and his white wife until police cordoned off the house.

June's violence left no doubt that the 1967 riot season has begun. The only question is: How hot will it get?

Mr. HARRIS. Mr. President, in view of the fact that there have been so many instances of lawlessness, violence, and civil disorder in the cities and urban centers of the United States, and especially because of the recent, most unfortunate riots in Newark, Detroit, and Cambridge, Md., I think that we cannot continue in this country simply to be surprised each time that kind of lawlessness and disorder occurs. I think we need to realize that this matter of civil strife, lawlessness, and violence has become a serious national domestic crisis, and that action is required immediately on several fronts to meet that national crisis.

Each time such a riot occurs, there is call for action throughout the country and in the Halls of Congress. Some calls for action are repressive, some permissive, in nature. This resolution, we think, is neither, but meets the urgency and immediacy of the crisis in the manner which the situation deserves and demands.

I discussed this resolution earlier in the day with the distinguished majority leader [Mr. MANSFIELD], who has had to leave the Chamber to attend a meeting at the White House. I note, Mr. President, that he has stated today to the press, following our discussion, that he feels that a Presidential commission similar to the Warren Commission, and as set forth in this joint resolution, may be the best means of getting at this national crisis and the problems inherent in it.

Actions which have been recommended by some, involving prohibitions against interstate movement of persons who may agitate for riots, or which seek to find some common, organized cause for such riots, however well intentioned, in my judgment, do not go deep enough, nor do they recognize the national crisis nature of the situation.

The proposed resolution states, in its declaration of policy:

First. That "riots and civil strife in many of the cities and urban centers of the United States constitute a domestic crisis which must be met and dealt with on an emergency basis."

Second. That "lawlessness and violence cannot be tolerated or condoned in the American society, founded on law."

Third. That "equality of social, economic and political opportunity is the foundation of American society, and must be made real, immediately, for all American citizens."

Mr. President, I applaud the legislative measures which have been intro-

duced yesterday and today in the Senate, one calling for a select Senate committee on civil disorder. I think that that action certainly is laudable; it calls attention to the problem and attempts to seek the proper answer. But I think that a Senate committee, alone, will not be able to achieve the kind of action which is appropriate and necessary.

I also applaud the introduction in the Senate and in the House of Representatives today of a measure which would establish a joint committee of the House and Senate on this same problem. I think Congress must accept responsibility to get at this national crisis.

But I think that the situation deserves and demands more than that. I believe, as has been stated by the majority leader, that we need a blue-ribbon commission which can command the attention, not only of Congress but of the executive department as well, and which can call together leaders from Congress, from the executive and judicial branches of the Federal Government, from municipal and State authorities, and from informed citizens.

That is what this resolution would do. It would authorize the President to appoint a nine-member Commission on Civil Strife, giving due regard to the need for representation from the executive, legislative, and judicial branches of the Federal Government, municipal and State authorities, and informed citizens, and also giving due regard to appropriate representation from racial groups and political parties.

The resolution requires that the Commission, acting under the urgency which I think is necessary in this situation, give a first preliminary report to the legislative bodies and to the executive branch of the Government, for appropriate legislative and administrative action, within 1 month from the creation of the Commission; and it requires a final report of the Commission not later than 6 months from the effective date of the act.

The resolution states that it shall be the duty of the Commission to make such reports and recommendations to the President of the United States and to the Senate and House of Representatives for urgent action, as will accomplish the following objectives:

First. The establishment immediately of regular and orderly procedures within the executive department of the Federal Government, with a permanent office to be located in the Office of Emergency Planning, or as may be determined, for advisory services and appropriate Federal action, in cooperation with local and State authorities, to prevent or quell riots and accompanying lawlessness and violence immediately upon the eruption or threatened eruption of the same, which procedures could be called into operation rapidly enough, at the earliest stages of such disorder or threatened disorder, as to effectively prevent or limit the same.

Mr. President, in connection with subsection (a), I think we can ill afford to delay, through discussions of responsibility, the quelling or the prevention of riots as between the Federal Government and the State government, though, of

course, the State government and the local governments must make requests before Federal action can be taken or Federal assistance given, insofar as law enforcement is concerned; I think that is quite appropriate. But, nevertheless, we should have a permanent office in the executive department of the Federal Government and regular procedures that can routinely be called into play so that there will not be, each time, need for discussion of a new departure in procedure and a lot of talk back and forth between State and Federal officers before the appropriate action is taken on the local level and assistance given by the Federal Government.

I think, after 128 riots as detailed by the study by the Library of Congress which I have had inserted in the RECORD, it is time that we become ready to meet these situations on an orderly and routine basis. I think we ought to have a sort of "ready room" within the executive department of the Federal Government, so that we will not just wake up to a new situation every time such a riot occurs, but we can proceed in an orderly and planned fashion.

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

Mr. HARRIS. I yield.

Mr. MONDALE. Mr. President, I think the point just made concerning the need for what the Senator has accurately called a ready room is well taken, and the creation of such an institution at the Federal level is long overdue.

Such a ready room, as I envisage it, could be immediately contacted by any local community which feared civil strife or was in the midst of civil strife. That local community could call upon this institution which would have the benefit of the multiple experience and background of such specialists as are necessary to assist the local communities. The institution could assist the local communities by informing them of all the available and relevant information they had, and what kind of aid is available from the Federal level and from other institutions, public and private. It would, in essence, be an office to which they could turn immediately in case of need.

This institution could keep all available information on file so that it might be distributed in the event of similar situations elsewhere.

We have, in effect, in the Office of Emergency Planning a ready room to assist in case of natural disasters.

We now know that in the event of a tornado or a flood, we can call upon this office for assistance of an emergency nature to rebuild houses and homes and to get businesses started again and to assist in case of health hazards and every kind of conceivable problem that arises in the event of a natural disaster can be properly brought before the Office of Emergency Planning.

Strangely enough, despite evidence of the number of occurrences of civil strife to which this study makes reference, we have no similar agency to which the Government can turn at the time of an occurrence such as we have seen in Detroit and other communities which have very serious problems.

I think that communities which experience civil strife need the assistance of such an office even more than is the case in natural disasters.

I think this is an institution that is long overdue and, if created, can be of immediate and critical importance and assistance to these communities.

Mr. HARRIS. Mr. President, I certainly agree with what the distinguished Senator from Minnesota has said. To digress, the reason behind our joint introduction of this resolution today is the bill sponsored by the distinguished Senator from Minnesota, and cosponsored by me, that is now pending in the Subcommittee on Government Research, of which I am the chairman, to create a Council of Social Advisers, provide for an annual social report, establish in Congress a Joint Committee on the Social Report, and to set up procedures by which we may have national social goals and some indicators or measurements as to the degree those goals have been achieved in our society and to measure the quality of American life.

The Subcommittee on Government Research has been holding hearings on this measure and, quite necessarily, in connection with it the subcommittee has been hearing testimony from a good many experts and informed witnesses on the very serious problems of the major cities of the country.

Those hearings will continue on Wednesday, Thursday, and Friday of this week, and they will, this week particularly, focus attention on problems of riots in our major cities.

We will be hearing from Mr. Whitney Young, of the National Urban League, among others, with respect to this problem.

It is because of this experience, the testimony received in those hearings, and our interest in that bill, that the distinguished Senator from Minnesota and I have joined as cosponsors of this measure.

I think, following what the distinguished Senator from Minnesota has said, that, if the National Guard is to be called up from time to time, as it was in the Newark situation and in other riots, we ought to be better prepared with the proper kind of training for the members of the National Guard who may be called upon in riot situations.

I think that if, as in the request of the chief executive of Michigan, the President is to send in national troops—as we did in that situation, and may do in other situations—there ought to be some preparation and training for the troops who would go in to deal with the riot.

I and all of us have read with much dismay and sadness of some innocent people who were killed in the Newark riot. Perhaps by planning in advance and setting up orderly procedures, we may be able to help the local law enforcement officials, and, on the Federal level, if our troops are called in by the Governor of a State, we can provide training in advance for those troops which would insure that no more force than necessary is used and guard against innocent people being killed or injured as is so often, unfortunately, the case in this type of lawlessness and violence.

Subsection (b) of section (5) of the resolution requires the report of the Commission to the President and the recommendations of the Commission to the President, to the House of Representatives and the Senate of the United States, to accomplish the objective of "immediate action" required "for the elimination from American life of the root causes of longstanding bitterness and hostility resulting from existing racial discrimination and inequality of social, economic, and political opportunity."

Mr. President, I think equal weight by the Commission, as is provided for in this resolution, should be given to subsection (a) and subsection (b).

I think that we should not only recognize the urgency and the immediacy required for action under subsection (a) of section 5, but also the urgency and immediacy required under subsection (b) of section 5. Subsection (c) of section 5 provides for recommendations to accomplish the objective of immediate action required "for assistance to State and local authorities to carry out the provisions of this section and the above stated declaration of policy."

Subsection (c) would not only, I hope, result in action which would help with advance training for local law-enforcement officials and for those others who may be called in to help with riot situations, but might also encompass the type of recommendations for legislative action that are involved in the legislation presently pending in Congress, recommended by President Johnson—the safe streets legislation.

Most of all, this resolution would, with the passage by both Houses of Congress and signature by the President of the United States, recognize the national crisis that riots and civil strife constitute, and would commit this Nation, on an emergency basis, to do something about meeting the problem of riots and preventing them, and also eliminating the root causes thereof.

Mr. President, I am happy at this time to yield to the joint author of the joint resolution, the distinguished Senator from Minnesota.

Mr. MONDALE. Mr. President, I thank the distinguished Senator from Oklahoma for his most effective statement upon the introduction of our proposed Special Commission on Civil Strife. I commend him for his continued leadership in trying to bring sense and understanding to bear on the great social problems of our country.

I believe it is already becoming evident that perhaps the chief legislative instrument today in Congress which has been exploring the potential of modern knowledge available for the social sciences, to improve the way of American way of life, is the Subcommittee on Government Research, chaired by the distinguished Senator from Oklahoma; and his leadership in the introduction of this resolution is an example of that fact.

The totals of death and destruction in our cities is growing, and it is clear that Minneapolis, Detroit, Newark, Buffalo, and the others are local centers of a national crisis. Years of deprivation have brought distress, distress has brought

disaffection, and disaffection has brought disaster. We are now counting our losses in hundreds of millions of dollars and scores of lives, and the question of whether there will be more violence has become instead a question of where there will be more violence.

Mr. President, I believe the situation is very grave. A society based on law cannot condone lawlessness. A society based on freedom from fear cannot live in terror. But these are principles that cut two ways. There are those among us for whom the protection of law and the absence of fear have long been a mockery.

Unfortunately, we have found it difficult to learn as we should from our experiences. That is what hurts. We do not know what we should about civil strife, and we are frantic when we should be responding both to the immediate violence and to the long-range frustrations.

That is why this bill is particularly appropriate at this time. It clearly sets out the principles on which our action should be based—the absolute necessity of law and order. Beyond that, it establishes a body to examine the evidence of our immediate tragedy and to place it in the perspective of our long-range problems. And it charges this body with recommending procedures to deal swiftly and effectively with violence when it occurs.

Last week, Mr. President, I heard an eminent opinion analyst testify before the Subcommittee on Government Research on my proposed legislation, the Full Opportunity and Social Accounting Act of 1967. He lamented the absence of institutional machinery to predict danger points and recommend preventive action. What Senator HARRIS and I are proposing today is a temporary measure, but it may help to lay the groundwork for a permanent establishment. It is the best we can do now, and I hope that it will be established quickly.

Earlier today, the distinguished majority leader and the distinguished minority leader called for a joint congressional investigation of rioting in our cities. I applaud this recommendation, and I hope that such an investigation will proceed promptly. But the Special Commission on Civil Strife which Senator HARRIS and I are proposing will provide a much more broadly based investigation, with representatives from the executive, legislative, and judicial branches of the Federal Government, from State and city governments, from private citizens and civil rights constituencies.

We need to tap the resources of all these areas of our society if we are to get at the sources of discontent and violence and provide the intergovernmental machinery to prevent disorder where possible and to deal with it quickly and effectively when necessary. The preliminary report this Commission will provide within 30 days of its approval by Congress and the final report to be provided within 6 months will be developed by a group representing all the sectors of our society which are involved in our current urban crisis.

I suppose one of the first reactions to this proposal is, "Here we have a grave

national problem, and our answer is one more study, and surely by now this matter has been studied to death."

I believe that one of the problems we have in responding to the current spate of civil distress is that we have not, surprisingly, explored the fundamentals resulting in these examples of civil strife and have not come to a national understanding of what they involve.

One cannot read the major columnists in our papers or the statements of our major public officials without finding a surprising disagreement and uncertainty over what is bringing about this disgraceful national phenomenon.

I would hope that this study would help disclose to the American people—and would help create a consensus—the enormous character of the social problem we are facing. I believe that this Nation is as sick as it has ever been. I believe that one of the first and necessary steps to its cure is an understanding of the vast character of the problem that lies ahead of us. It literally involves the remaking of our Nation. Unless we understand that, unless we approach it with that in mind, I fear that all our remedies will fall far short of the mark.

We need a fair housing law which declares that it should be national policy that no realtor and no homeowner can discriminate in the sale or rental of housing on the basis of race, creed, or color; because so long as we consign the vast majority of colored America to a few crowded blocks of rotting cores of our major cities, it will drive up the prices artificially and will create conditions that are bound to lead to human explosions.

We must deal with the problems of employment, for the unemployment levels in our slums clearly show that their unemployment rate is at least double that of the rest of American society, and it is growing worse.

We must deal with the problems of providing adequate housing, for today it is estimated that over 8½ million families in those communities are living in substandard and unsanitary housing.

We must deal effectively for the first time with the problems of law enforcement. A magnificent analysis of that problem appeared this morning in a column by Joseph Kraft, pointing out how little we know and how little is being done to create an understanding of an adequate system of law enforcement to deal in the ghettos of America.

Mr. President, we need to be sure that public services which are necessary, such as fire departments, garbage collection, street cleaning, and so forth, are adequate for this need. We have to be sure that the children who grow up in the ghettos are given an education that is adequate not only for the world in which we live but that it is especially adequate in light of the social conditions in which they begin life. This involves adequate funding of manpower training programs and other programs to assist in this area.

Mr. President, some people believe that the problems of today could best be solved by the passage of an antiriot bill, and that the problem will go away if we pass an antiriot bill. Some persons say

that if we change the emphasis from public to private, that something magic will flow from that and that the problem will disappear. Some say that a special alchemy flows from homeownership, and that all that is needed is to change the legal ownership and people will be changed overnight.

Mr. President, I suggest that the truth was probably best epitomized by the cartoon by Herb Block which appeared in the Washington Post of yesterday morning which showed Congress armed with a popgun shooting at an enormous lion entitled "The Slum Lion."

This effort will require the best that everyone in society can provide, the best of the private and the public sectors, the best of local and State governments, the best of private foundations, unions, cooperatives, churches, and all of the other organizations and sectors of American society.

We have now begun to pay the price of at least a winter of social neglect. The answer cannot be simply found in the suppression of the riots as important and indispensable as that is because, as the Washington Post editorial stated this morning:

The question is whether a nation of free men can achieve order and social justice as well.

Therefore, I would ask, Mr. President, to have printed in the RECORD the editorial which was published in the Washington Post this morning. This is a brilliant editorial indicating the problems in Detroit and showing that despite all that the citizens of Detroit did, despite the magnificent and inspired leadership of one of America's great mayors, Mayor Cavanagh, and despite one of the finest antipoverty programs in the country, we still have as eloquent an example of the outrage that can come from a frustrated people, the outrage of death, human injury, and property damage as this country has seen, apart from a civil war.

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

THE GREATEST TRAGEDY OF ALL

This country is now coming into a bad time. In this fourth summer of slum riots, the sense of despair is beginning to rise steeply amidst a Nation struggling for remedies. Americans know only that the traditional rules are no longer holding, that the present solutions are not enough, and that a great deal depends upon the speed with which we can respond to a protest that, for all its urgency, is as incoherent as it is demonically destructive.

If these riots continue it will be a very bad time indeed for civil rights, for social legislation, and for the prosperous development of the great cities. The movement for racial equality has been forced onto the defensive. If the disorders persist, public authorities can be expected to resort to increasingly crude methods of repression, as the wanton use of firearms by police and National Guardsmen in Newark suggests. The contagion of riots will assuredly end in the reestablishment of order, throughout the Nation, but it may be order at a terrible price.

The Detroit riot is the greatest tragedy of all the long succession of Negro ghetto outbursts. In other cities it has been possible to seek causes in the ineptitude of governments, the hostility of employers and unions, the destitution of the slum's people. But Detroit is different.

For years Detroit has been the American model of intelligence and political courage applied to the governance of a huge industrial city. Mayor Cavanagh has gone further, over a longer period of years, to respond to the people of the slums than any other big-city mayor; and now Mr. Cavanagh is doubtless destroyed as a political leader. Detroit's gifted young Congressman Conyers, one of six Negroes in the House, was booed and pelted by the crowd.

Detroit's poverty program has been repeatedly cited as the most effective in the United States. Its police force is considered a model of temperate restraint. Its inner city schools are one of the country's leading examples of forceful reform in education. The United Automobile Workers have done more for racial equality than any other union in the history of American labor, and they have been met with the steady cooperation of the automobile manufacturers. Whatever the deprivations of Detroit, there is no shortage of well-paid industrial jobs free of racial discrimination. The city of Detroit was badly shocked by its fearful race riot in 1943. Over the past decade there has been no other large American city in which government, business and labor have devoted as much skill and effort to the cause of the Negro and the poor.

The sources of these riots lie beyond any easy explanations in the social and economic statistics. They are painfully similar to the riots currently endemic in underdeveloped countries. They are similar to the riots in the European cities of a century or two ago. It is never easy for cities to absorb large and sudden tides of rural immigration. That, of course, is the long view: the riots are a stage of social transformation, and the cities will ultimately pass through it.

But the long view is not good enough. Talk of social transformation is very thin comfort to those who died, and to those whose homes and shops were burned and looted. This country, never long on patience in crises, now needs an immediate course of action.

Public order necessarily comes first. It is simply recognizing reality to say that every deeper remedy will be pushed aside until order has been reliably protected in Detroit, Newark, Plainfield, Waterloo, and every other American city, large or small. Everyone who lives in cities needs to understand that continued street fighting will in-eluctably lead to the increased militarization of the police. The process of militarization can even be justified on the evidence of Newark, where frightened and vengeful police and over-armed National Guardsmen appear to have gone far beyond any permissible limits in their use of automatic weapons. This newspaper recently reported that one body contained 39 bullet holes, a number difficult to explain by any rational policy. Those 39 bullet holes suggest the atmosphere now prevalent in some of the less well run urban police forces as the wave of rioting progresses.

Clearly, police need new weapons for riot control. Revolvers are not very useful to control crowds; the National Guard's machine guns and carbines ought never to be used in areas where women and children are likely to be caught in the crossfire. Some police authorities have experimented with temporary debilitating chemicals that can be sprayed or hosed from a distance. Certainly police need training in riot control. Here are areas where the present Federal effort can be heavily expanded with great profit. And, of course, sniping will always be a danger as long as Federal and state law makes it possible for every criminal and every maniac on the continent to get a gun.

The continued riots, particularly in Detroit, will no doubt lead to renewed political attacks on the public programs of community action, job training, improved edu-

cation and expanded housing. They have not prevented riots, it will be argued. But the answer is that they are all slow, difficult jobs in which the profit only appears over the long haul. The country is going in the right direction with its campaigns to end poverty and to build model cities. The country needs steady hands in this moment, and cannot let itself be baited or distracted by the black insurrectionaries or the white reactionaries who are, not for the first time, singing in close harmony.

The riots have done immense and irreparable harm to the fabric of the cities, and to the march for civil rights. The question is not whether order will eventually be ensured; certainly it will be ensured. It is the manner in which this is done that must be our first concern. The real question is the oldest question of the American republic, one that has been met many times, one that is always answered in a different way, and at a new cost. The question is whether a nation of free men can achieve order and social justice as well.

Mr. MONDALE. Mr. President, I would hope that this commission would be appointed on a nonpartisan basis and that it would be composed of some of the finest minds we can bring to bear to work in connection with the problem so that the Nation can gird all of its forces to an adequate extent to deal with this incredibly difficult and compellingly unique problem.

Mr. HARRIS. Mr. President, I thank the distinguished Senator from Minnesota, and I compliment him on his statement and on his interest in this subject, which is so vital to the well-being of our Nation.

Mr. President, I have cleared the request I am about to make with the distinguished majority leader [Mr. MANSFIELD], who has been called to the White House and who is not in the Chamber at this time. I am authorized to make the request in his absence. I ask unanimous consent that this joint resolution be referred to the Committee on Government Operations.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection, and it is so ordered.

Mr. HARRIS. Mr. President, while I think it is vital that this resolution be adopted immediately by the Congress in order to express the sense of the Congress as to the urgency involved, nevertheless, in addition to pressing for immediate Senate and House action, I might say that the Senator from Minnesota and I will this afternoon dispatch a copy of the resolution to the President, urging him, as I now do, pending adoption of the resolution in Congress, to proceed at once by executive order to create this blue-ribbon commission and set it to its work.

Moreover, now that the resolution has been referred to the Committee on Government Operations, I intend to confer this afternoon with the distinguished chairman of that committee, of which I am a member, the Senator from Arkansas [Mr. McCLELLAN], and, if the resolution is to be kept in the full committee I shall urge him to hold immediate hearings thereon; if it is to be referred to the Subcommittee on Government Research, of which I am chairman, we shall hold hearings on the resolution during the balance of this week.

PERMISSION TO FILE REPORTS OF COMMITTEES, TOGETHER WITH MINORITY, INDIVIDUAL, AND SUPPLEMENTAL VIEWS UNTIL NOON ON THURSDAY NEXT

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that following the adjournment of the Senate today until noon on Thursday next, all committees of the Senate be permitted to file their reports, together with minority, individual, or supplemental views, if desired.

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

ADJOURNMENT UNTIL THURSDAY

Mr. BYRD of West Virginia. Mr. President, if there is no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 12 o'clock noon on Thursday next.

The motion was agreed to; and (at 6 o'clock and 16 minutes p.m.) the Senate adjourned until Thursday, July 27, 1967, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 25, 1967:

DIPLOMATIC AND FOREIGN SERVICE

Martin J. Hillenbrand, of Illinois, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Hungary.

Edward M. Korry, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Chile.

IN THE COAST GUARD

The following-named officers to be permanent commissioned warrant officers of the Coast Guard in the grade of chief warrant officer, W-4:

Michael Baron, Jr.
Jackie S. Thornhill

The following-named officers to be permanent commissioned warrant officers of the Coast Guard in the grade of chief warrant officer, W-2:

John R. Carlile, Jr. Lawrence J. Murphy,
Anthony G. Kasparian Jr.

Larry E. Sartin

The following-named officers to be permanent commissioned officers of the Coast Guard in the grade of lieutenant (junior grade):

| | |
|-------------------------|-------------------------|
| John McDonald | Galen R. Siddal |
| Alfred T. Wilcox | Steven A. Pope |
| John T. Keating | Wayne I. Smith |
| Hugh A. Dayton | Sperry C. Storm |
| Edward L. Weillbacher | James T. Fenner |
| Roger R. Roznoski | Walter B. Fern |
| Richard R. Bock | David R. Van Dreumel |
| Alfred W. Harrell | Richard G. Evans |
| James L. Van Horn | John R. Carlile, Jr. |
| William A. Swansburg | Thomas L. Osborne |
| Thomas V. Fielding, Sr. | Thomas J. Pounds |
| Donald P. Billings | Richard G. Johns |
| Robert D. Weddell | David F. Orszak |
| Donald J. Strathern | Robert L. Zeller |
| Jack W. Wroton | Gary A. Rogers |
| Dennis R. Kay | James E. Cornell |
| Milford G. Gillam, Jr. | Lawrence R. Rodgers |
| David A. Meadows | James D. Crisp, Jr. |
| David C. Newton | William H. Rollins, Jr. |
| Richard G. Gobble | Charles C. Williams |
| Robert C. Wright | Richard H. King |
| Harold D. Willis | Larry P. Scarborough |
| Delbert L. Hemphill | Rene N. Roussel |

| | |
|----------------------|----------------------|
| Robert H. Miller | Roy E. Henderson |
| Anthony G. Kasparian | James L. Golden, Jr. |
| Jimmie H. Hobaugh | Ted B. Bryant |
| Bernard W. Ching | |

The following-named officers of the Coast Guard for promotion to the grade of lieutenant:

| | |
|----------------------------|-------------------------|
| John McDonald | William E. Remley |
| Alfred T. Wilcox | Martin C. Miller |
| John T. Keating | James W. |
| Hugh A. Dayton | Featherer, Jr. |
| Edward L. Weillbacher | Walter C. Reissig |
| Roger R. Roznoski | Larry A. Murdock |
| Richard R. Bock | William M. Senske, Jr. |
| Alfred W. Harrell | Timothy V. Johnson |
| James L. Van Horn | James M. Landt |
| William A. Swansburg | Terrance R. Pietenpol |
| Thomas V. Fielding, Sr. | David Zawadzki |
| Donald P. Billings | Robert J. Heid |
| Robert D. Weddell | Richard B. Ralph |
| Donald J. Strathern | Thomas Rutter |
| Jack W. Wroton | George A. Bachtell |
| Dennis R. Kay | Steven C. Martin |
| Milford G. Gillam, Jr. | Paul T. Potter |
| David A. Meadows | Frank R. Long |
| David C. Newton | Paul W. Needham, Jr. |
| Richard G. Gobble | Earl J. Meiers, Jr. |
| Robert C. Wright | Richard C. Waterman |
| Harold D. Willis | William G. MacDonald |
| Robert L. Armacost | Burton F. Folce, Jr. |
| Kurt G. Zimmerman | Thomas H. Galligan |
| John N. Naegle | Jerry C. Bacon |
| Ronald A. Walrod | Martin L. Lindahl |
| Harold J. Capell | Charles W. Murray |
| Morris D. Helton | Richard V. Butchka |
| David E. Clements | Donald G. Campbell |
| Norman T. Saunders | William R. Ladd |
| John R. Harrauld | Walter F. Bodner, Jr. |
| James C. Card | Gary C. Nelson |
| William E. Wheelock | Kenneth W. Bates |
| Richard S. Jarombek | Ronald J. Davies |
| William R. Wilkins | Joseph J. Wehmeyer |
| George E. Watts | Grant W. Risinger |
| John H. McGowan | James A. Monahan |
| Richard D. Herr | Larry R. Hyde |
| Richard W. Hawkins | Gilbert T. George |
| Michael B. Stenger | John R. Carlile, Jr. |
| Stephen P. Plusch | Ralph C. Yetka |
| Kenneth W. Thompson | Stephen R. Edmondson |
| Lewis W. Parker II | Thomas Nunes |
| Peter K. Valade | David L. Priddy |
| David N. Arnold | F. Michael Kien |
| Robert Bates | William W. Furrer |
| James R. Sherrard | Robert R. Dudley |
| Robert L. Sundin | Stephen H. Davis |
| Fred H. Halvorsen | James W. Kunkle |
| Raymond E. Cunningham, Jr. | William H. Thompson |
| Philip R. Laut | Andrew F. Hobson |
| Robert T. Dalley | James M. Sharpe, Jr. |
| Michael J. Meehan | Delbert L. Hemphill |
| Richard J. Beaver | Galen R. Siddal |
| Harry E. Budd, Jr. | Steven A. Pope |
| Berne C. Miller | Wayne I. Smith |
| Richard E. MacDonald | Sperry C. Storm |
| Leo J. Black, Jr. | James T. Fenner |
| Peter J. Heistand | Walter B. Fern |
| Harold G. Reed | David R. Van Dreumel |
| Alan D. Rosebrook | Richard G. Evans |
| Jerry J. Surbey | John R. Carlile, Jr. |
| Robert E. Hammond II | Thomas L. Osborne |
| James M. Loy | Thomas J. Pounds |
| Gordan G. Piche | Richard G. Johns |
| Edward V. McGuire | David F. Orszak |
| John A. Gloria | Robert L. Zeller |
| Frank E. Rockwell | Gary A. Rogers |
| Arnold H. Littenken, Jr. | James E. Cornell |
| Joseph M. Maka | Lawrence R. Rodgers |
| Paul A. Martin | James D. Crisp, Jr. |
| Thomas A. Welch | William H. Rollins, Jr. |
| Anthony J. Lutkus | Charles C. Williams |
| Thomas J. McCarthy | Richard H. King |
| Richard L. Anderson | Larry P. Scarborough |
| Donald F. Potter | Rene N. Roussel |
| Robert L. Hanna, Jr. | |
| Gary Russell | |
| Douglas B. Engel | |

IN THE ARMY

The following-named officers for temporary appointment in the Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3442 and 3447:

To be major generals

Brig. Gen. Glenn David Walker, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. John Russell Deane, Jr., [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Donald Harry Cowles, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Charles Marsden Duke, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Roland Merrill Gleszer, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Walter Philip Leber, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. John Scarborough Hughes, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. George Marion Seignious, II, [XXXXXX], Army of the United States (lieutenant colonel, U.S. Army).
 Brig. Gen. Howard Francis Schiltz, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Wendell John Coats, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. U.S. Army. Walter Martin Higgins, Jr., [XXXXXX], U.S. Army.
 Brig. Gen. Vernon Anthony Walters, [XXXXXXX], Army of the United States (colonel, U.S. Army Reserve).
 Brig. Gen. Samuel William Koster, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. William Albert Becker, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Paul Alfred Feyereisen, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Livingston Nelson Taylor, [XXXXXX], U.S. Army.
 Brig. Gen. Charles Thompson Horner, Jr., [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Roger Merrill Lilly, [XXXXXX], United States Army.
 Brig. Gen. Lloyd Brinkley Ramsey, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Robert Charles Forbes, [XXXXXX], Army of the United States (colonel, U.S. Army).

Brig. Gen. Edward Harleston deSaussure, Jr., [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. William Merle Fondren, [XXXXXX], U.S. Army.
 Brig. Gen. Phillip Buford Davidson, Jr., [XXXXXX], U.S. Army.
 Brig. Gen. Leonard Burbank Taylor, [XXXXXX], Army of the United States (lieutenant colonel, U.S. Army).
 Brig. Gen. Gilbert Hume Woodward, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Charles McNeal Mount, Jr., [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Charles Martin Gettys, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Walter MacRae Vann, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. James Joseph Gibbons, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Henry Alfred Rasmussen, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Leonidas George Gavalas, [XXXXXX], U.S. Army.
 Brig. Gen. John Clifton Dalrymple, [XXXXXX], U.S. Army.

The following-named officer for appointment in the Regular Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3284 and 3306:

To be brigadier generals

Brig. Gen. Howard Francis Schiltz, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Charles Marsden Duke, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Robert Mabry Williams, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Walter MacRae Vann, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Charles McNeal Mount, Jr., [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Charles Martin Gettys, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. David Stuart Parker, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Wendell John Coats, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Raymond Leroy Shoemaker, Jr., [XXXXXX], Army of the United States (colonel, U.S. Army).

Major Gen. Woodrow Wilson Vaughan, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Thomas Henderson Scott, Jr., [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Gilbert Hume Woodward, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Osmund Alfred Leahy, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Roland Merrill Gleszer, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Charles Thompson Horner, Jr., [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Lloyd Brinkley Ramsey, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Henry Alfred Rasmussen, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Maj. Gen. Paul Francis Smith, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Maj. Gen. Keith Lincoln Ware, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Maj. Gen. Raymond Chandler Conroy, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Glenn David Walker, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Maj. Gen. Melvin Zais, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Maj. Gen. William Charles Gribble, Jr., [XXXXXX], Army of the United States (colonel, U.S. Army).
 Maj. Gen. George Philip Seneff, Jr., [XXXXXX], Army of the United States (colonel, U.S. Army).
 Maj. Gen. Edward Leon Rowny, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Brig. Gen. Edward Harleston deSaussure, Jr., [XXXXXX], Army of the United States (colonel, U.S. Army).
 Maj. Gen. John Norton, [XXXXXX], Army of the United States (colonel, U.S. Army).
 Maj. General George Bibb Pickett, Jr., [XXXXXX], Army of the United States (colonel, U.S. Army).

CONFIRMATION

Executive nomination confirmed by the Senate July 25, 1967:

NATIONAL MEDIATION BOARD

Leverett Edwards, of Oklahoma, to be a member of the National Mediation Board for the term expiring July 1, 1970.

EXTENSIONS OF REMARKS

Pythian Boys Camp in Glen Spey, N.Y.

EXTENSION OF REMARKS

OF

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 25, 1967

Mr. BRASCO. Mr. Speaker, all of us are deeply concerned over the strife that has been evident in underprivileged sections of many cities this summer. It is unfortunate that the turbulence that has stricken these cities has tended to obscure continuing efforts by the private

sector of society as well as by Government to develop programs that will bring new hope into the lives of the disadvantaged.

There are many organizations from coast to coast that are concentrating their efforts among young people, as they recognize full well that the youth of today must assume positions of responsibility tomorrow.

One such organization is the 87,000-member Grand Lodge of the Knights of Pythias, which for the past 26 years had provided free 3-week camping vacations for underprivileged boys at its Pythian Camp in Glen Spey, N.Y. Here, on a 250-acre site, more than 1,000 boys of every

race, creed, and color take part in a well-planned, supervised camping program every summer.

The camp offers wholesome recreational, athletic, and cultural programs for deprived boys who might otherwise be forced to spend the summer months in idleness on hot city streets.

The success of this camp has been due in great measure to the able leadership of William Goldfine, the president of the camp's board of managers, and A. Martin Lerner, grand chancellor of the grand lodge, men of vision who recognize the importance of instilling in campers an understanding of the value of teamwork and good sportsmanship.